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# **Daily Report—**

# **China**

**FBIS-CHI-89-068**

**Tuesday**

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# Daily Report

## China

FBIS-CHI-89-068

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## General

### IMF Managing Director Pays Visit to China

Interviewed by XINHUA

OW0804035489 Beijing XINHUA in English  
0042 GMT 7 Apr 89

[By Wei Guoqiang and Zhao Zijian]

[Text] Washington, April 6 (XINHUA)—Despite the pledge of funding from the international community for debt reduction packages, the indebted countries should put their domestic house in order through sound policies, said M. Camdessus, managing director of the International Monetary Fund (IMF) today in an interview with XINHUA.

Mr Camdessus described the debt reduction plan initiated by U.S. Treasury Secretary Nicholas Brady, which was extensively discussed and mostly approved during the World Bank-IMF spring meeting held this week, as "an important and welcome step." But he warned at the same time that "the new approach of debt reduction still leaves the indebted countries with the responsibility for solving their own problems."

"The ultimate aim remains: These countries must be restored to creditworthiness," said Mr Camdessus, who added: "A simple gift from the stronger countries or their bank creditors cannot do the job but would only hurt those debtor countries."

On the other hand, the debtor countries cannot do it alone without assistance from the international community, because higher taxation to pay back foreign debt would discourage foreign investment in those countries and would therefore increase their difficulties, he said. He expressed support for efforts of trading debt obligations in the secondary market on a voluntary basis, saying the IMF will come up with plans to support such debt reduction efforts quickly in the next few months.

Explaining IMF's role in the process, he said the debtor countries must be willing to "channel some of their own resources" into the debt reduction process and then the IMF can help "to make the whole process easier."

An IMF official said a debt reduction package will be worked out this summer for Mexico, the second largest Third World debtor, followed by programs for Venezuela, the Philippines and probably Costa Rica.

The IMF has taken an increasingly important role in the international efforts to defuse the Third World debt bomb. With the fairly successful conclusion of this week's World Bank-IMF meeting that endorsed the need for more funding for this largest multilateral financial organization, the IMF, together with the World Bank, now can play a central role as requested by their member countries in the debt reduction process.

In addition to more money at its disposal, the IMF also works in cooperation with the Japanese EXIM Bank which will selectively cofinance some of the IMF-sponsored programs with concessionary loans starting this summer.

Asked whether his emphasis on policy reform on the part of indebted countries means the so-called "conditionality" that was criticized by some people as imposing the will of industrial countries on poor Third World nations, Mr Camdessus said that the image of the IMF—economic police of the world—is unfair, a misperception of what IMF really is.

He said the organization has been the "scapegoat" for a long time—politicians would blame harsh austerity measures on the IMF for their people to digest. "If you say you are obliged by some abstract international body (to adopt that policy), then your policy is not credible...so I urge leaders to take their own responsibility," otherwise good reform measures would be delayed for lack of consensus.

"If you postpone too much time to see the doctor, then you have to go to see the surgeon. We prefer to have a nice doctor applying nice Chinese medicine to having old-fashioned surgery," he explained.

### Meets Bank of China Head

OW0904214089 Beijing XINHUA in English  
1225 GMT 9 Apr 89

[Text] Beijing, April 9 (XINHUA)—Chinese State Councillor and Governor of the People's Bank of China Li Guixian met and hosted a dinner for Michel Camdessus, managing director of the International Monetary Fund (IMF), and his party here tonight.

The host and guests expressed satisfaction with the sound cooperation between China and the IMF since China resumed its membership in the Fund in 1980. They hoped that such cooperation will grow further in the future.

Li also briefed the visitors on China's economic situation.

Camdessus and his party arrived here today upon Li's invitation.

### Li Peng Thanks IMF

OW1004134289 Beijing XINHUA in English  
1212 GMT 10 Apr 89

[Text] Beijing, April 10 (XINHUA)—Chinese Premier Li Peng today stressed the importance of stability in carrying out the reforms and developing the national economy.

For China now, "it's imperative to strike a proper balance between development, reforms and stability," Li said, so as to "push ahead with the reforms and develop the economy with stability."

Li made these remarks during a meeting with Michel Camdessus, managing director of the International Monetary Fund (IMF), here today.

During the meeting, the Chinese premier thanked IMF for rendering financial and technical aid to China in the past nine years. China resumed its seat in IMF in 1980.

Briefing Camdessus on China's reforms, Li said the nation is striving to "cut back on social demand and capital construction, so as to ensure a sound, steady development of the national economy."

The steady progress of reforms and economic growth is meant to ensure the well-being of the people, too, Li said.

Camdessus, expressing the hope that China's reforms will get along to achieve greater success, promised that IMF will continue to help China in terms of finance and technology.

Chinese State Councillor and Minister of Finance Wang Bingqian met Camdessus this morning.

#### Meets With Zhao Ziyang

OW1104122789 Beijing XINHUA in English  
1216 GMT 11 Apr 89

[Text] Beijing, April 11 (XINHUA)—Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee, met Michel Camdessus, managing director of the International Monetary Fund (IMF), and his party here today.

Zhao, briefing the visitors on China's reforms, said the current economic readjustment "does not mean any change in the orientation of the reform program."

"The government has to take some administrative measures during the readjustment but they are temporary," he said.

However, the painstaking transition from the old mode of economic structure to a new one apparently takes longer time than previously anticipated, the party leader said.

#### U.S., Japan Reach Tentative FSX Settlement

OW0804230889 Beijing XINHUA in English  
1628 GMT 8 Apr 89

[Text] Washington, April 8 (XINHUA)—The United States and Japan have reached a tentative settlement over the joint project of developing FSX fighters, or modified F-16 jet fighters, "THE WASHINGTON POST" reported today.

The report quoted U.S. Administration sources as saying that the agreement comes after the Bush administration insisted on "clarifications" about the deal between Japan and the United States under the Reagan administration.

An announcement on the agreement is expected to be made early next week.

The U.S.-Japan dispute over the project was intensified in the past few months when the U.S. Department of Commerce demanded a modification of the deal along with the congressional criticism of the agreement.

Under the arrangement, Japan would develop and produce FSX fighters which are to be considered as next-generation fighters, with U.S. advanced technology. U.S. lawmakers feared that the arrangement would undermine U.S. industrial interests and help expand Japan's civil aviation market share in the future.

Supporters of the deal stressed that new technology developed in the course of carrying out [the project] would flow back to the United States.

The Bush administration also indicated that the agreement was unacceptably vague on key issues such as U.S. production work shares in the project and access to new technology derived from development of the plane.

However, the report said that the two sides have agreed that the United States will take 40 percent of the production work.

Under the new agreement, the United States would also have access without any charge to any new technology that Japan develops on the basis of U.S. technology and would buy any new technology which Japan develops on its own.

#### FSX Plan Causes U.S. Concern

HK1104084889 Beijing RENMIN RIBAO in Chinese  
4 Apr 89 p 4

[“International Jottings” by Ru Jun (1172 0689):  
“Concern Caused by FSX Aircraft”]

[Text] People in the American political, financial, and military circles recently unfolded an unusual debate on the plan for U.S.-Japanese joint development of FSX fighters.

According to the agreement concluded by the United States and Japan, Japan will make use of the technology developed by the United States to produce the new-type FSX fighters. However, the FSX fighter, a new model of the F-16 fighter, is related to a number of top secret technologies of the United States. Therefore, many leading members of American financial circles and many congressmen resolutely demanded the abrogation of the agreement. They held that once the agreement is put into

practice, it will certainly bring threats against the leading position of the United States in the mastery of sophisticated technology, especially aeronautics technology. The "Air Bus" produced by Europe has already challenged the dominant position of the aeronautics industry of the United States in the world. If Japan obtains the technology for making F-16 fighters, it is very likely that Japan will also make use of this technology to develop new-type civilian planes. Then, the United States will face another strong rival in the international aircraft market. It seems that such apprehension is not without reason.

In recent years, trade frictions between the United States and Japan occurred frequently ranging from the "car war," the "computer war," the "semiconductor war" to the "beef war." All this shows that economic relations between the two countries have become increasingly tense. In addition, the Japanese made use of the appreciation of the Japanese yen to buy up land, open factories, and purchase enterprises in large quantities in the United States. This has also greatly upset Americans. This February, in an opinion poll conducted by THE WASHINGTON POST and the American Broadcast Corporation, 44 percent of the respondents agreed that for the security of the United States, Japan's economic strength was more dangerous than the Soviet Union's missiles. As Japan continues to increase its competitive power, American apprehension will also continue to increase.

**Chinese Geologist Discovers Gold in Antarctica**  
*OW1104103089 Beijing XINHUA in English*  
*0815 GMT 11 Apr 89*

[Text] Beijing, April 11 (XINHUA)—Break out the mukluks, harness the sled dogs, and head full tilt for the frozen tundra. The prospects for prospectors indicate the possibility of a goldrush in the Antarctic.

The reason: A Chinese woman geologist has found gold in samples of deposits she brought back from the Antarctic, according to the latest issue of the "CHINA GEOLOGICAL JOURNAL."

The discovery indicates that there may be alluvial gold ore deposits worth mining industrially in the Antarctic, says Wang Xianlan, an associate researcher at the National Oceanography Bureau's second institute, who was one of two women scientists taking part in China's second expedition to the Antarctic from November, 1985 to March, 1986.

After returning to China, she studied the samples of mineral deposits she took at the expedition's base at "Great Wall Bay" and found grains containing natural gold.

The gold content of the grains varies from 46.3 percent to 90.9 percent. Shapes of the gold are mainly irregularly granulous and flat as well as cylindrical and skeletal. The diameter of most of the gold granules is 60 microns and the biggest reaches 125 microns.

Besides natural gold, Wang Xianlan also found gold-bearing chemical compounds of tellurium, bismuth and antimony in her samples from the Antarctic.

The results of neutron activation analysis showed that the deposits are turning into or have already reached the quality of gold ores, she says.

**Antarctic Station Ready for Winter Duties**  
*OW1004012389 Beijing XINHUA in English*  
*1540 GMT 9 Apr 89*

[Text] Qingdao, April 9 (XINHUA)—Twenty members stationed in China's second Antarctic scientific station, "Zhongshan", are ready for work in winter, a scientist from the Chinese vessel "Polar" disclosed here today.

The vessel carrying most of the scientists left the Antarctic on February 27 because of the adverse weather and arrived in Qingdao, Shandong Province, Saturday.

According to the scientist, Antarctic saw 19 snow falls last month with the longest lasting a whole day. The "Zhongshan" station was surrounded by more than one meter deep snow.

The Chinese scientists are carrying surveys of sea and lake water and studies of life in lakes.

They will return home this time next year.

**International Semiconductor Exhibit in Beijing**  
*OW0804063389 Beijing XINHUA in English*  
*1206 GMT 7 Apr 89*

[Text] Beijing, April 7 (XINHUA)—An international exhibition of semiconductor technology opened here today, providing Chinese semiconductor manufacturers with an opportunity to see latest developments in the field.

The five-day trade show at the Beijing Exhibition Center, which has attracted more than 100 companies from around the world, will also serve as one of the best vehicles for foreign companies to do business directly with Chinese factories, according to an official from Semiconductor Equipment and Materials International (SEMI), the organizer of the exhibition.

"The trade show provides semiconductor manufacturers in China with a unique chance to see some of the world's state-of-the-art semiconductor processing equipment and materials," the official said.

A total of 18 seminars will be held during the course of the exhibition covering various aspects of semiconductor technology.

**IOC President on PRC, Taiwan Sports Contacts**  
*OW1004005789 Beijing XINHUA in English*  
*1503 GMT 9 Apr 89*

[Text] Dortmund, Federal Germany, April 9 (XINHUA)—President of the International Olympic Committee [IOC] Juan Antonio Samaranch today called the sports contacts between China and Chinese Taipei normal.

Addressing a press conference here during the 40th World Table Tennis Championships, Samaranch said: "I am very very happy about that, for we fought for it for a long time since the first agreement between the IOC and both NOCS [National Olympic Committees] in 1981."

Both parties have discussed the usage of what Chinese characters for the Chinese Taipei team in international competitions last January and March in Hong Kong.

The agreement was reached, and was announced on April 7 in Beijing.

The IOC president referred to the participation of Chinese Taipei under the agreed team name in the Asian Junior Gymnastics Championships slated for late April in Beijing.

He said: "That is the beginning of direct sports relations for both sides."

Although the IOC president is prevented from going to Beijing for the occasion, he emphasized the importance of this event for the IOC by entrusting the IOC members of both China and Chinese Taipei to be present at the Beijing championships.

The IOC president will preside over a meeting between the IOC and the Organizing Committee of the 1992 Olympic Games in April in Barcelona.

#### United States & Canada

**Article Examines Impact of Fang Lizhi Incident**  
*HK1104013189 Hong Kong CHIUSHIH NIENTAI*  
*in Chinese No 231, 1 Apr pp 29-31*

[Article by Chi Hsin (7871 6580): "Fang Lizhi Incident and Sino-U.S. Relations"]

[Text] On 6 January, Fang Lizhi took half an hour to finish off a letter to Deng Xiaoping, suggesting that all political prisoners, including Wei Jingsheng, be set free. At that time he could not have expected that a week later he would be the focal figure of front-page stories in newspapers across the world. Even less, that he would be nominated by Chinese scholars residing in the United States, as a candidate for the next Nobel Prize.

Fang Lizhi owes all this to "China's actual conditions" referred to by Chinese leaders, and the efficiency displayed by the Public Security Bureau in Beijing.

#### Human Rights Suddenly Becomes a Prominent Issue

Taking the opportunity of a visit to Japan to attend Hirohito's funeral not long after he assumed power, U.S. President Bush made a visit to China. He did not include "paying attention to the human rights problem in Mainland China" on his itinerary nor take it as one of his objectives. His primary objective was undoubtedly to counterbalance the Sino-Soviet summit scheduled for 2 months later. China considered that Bush's visit indicated that the United States attaches great importance to Sino-U.S. relations and this will duly serve as a bargaining counter in its forthcoming political deals with the Soviet Union. The objectives of both Bush and his hosts would be attained so long as both parties met as old friends.

The letter addressed to Deng Xiaoping by Fang Lizhi on 6 January, and the open letter by 33 persons on 16 February, became hot topics in the world media prior to Bush's visit. It is natural that the U.S. mass media, liberals, and members of the Democratic Party related these events to U.S. "human rights diplomacy" and Bush's visit to China. The double criterion with respect to human rights that the U.S. Government applies to the Soviet Union and China became the focal point of criticism by U.S. liberals.

Does the U.S. Government employ different criteria for human rights issues in the Soviet Union and China? The answer is in the positive and we can appreciate the U.S. Government's position if we take into account the world strategic situation and political reality. The Soviet Union is the United State's primary opponent in global contention and it is necessary for them to be tough with the Soviet Union so that people at home will consider it essential to maintain a high military expenditure; however, China is a country with which the United States has to build good relations to seek regional stability and improve its bargaining position in deals with the Soviet Union, and to achieve this, the government sometimes has to yield to China, thus resulting in the double criterion.

Though the U.S. Government is adopting a de facto double standard, it cannot confirm this as it will be considered immoral. If the human rights problem in China had not aroused considerable attention, Bush would have avoided it. But since the human rights problem, especially the double standard, captured the attention of the media in the United States, considerable pressure was brought to bear on Bush. At the news conference before he left Tokyo for Beijing, the first problem he encountered was whether he would assume a get-tough attitude toward the human rights problem in Mainland China as he did toward the Soviet Union. His reply was, "We must reiterate our responsibility for human rights."

#### "A Hint" Dropped by the U.S. President

Under the circumstances, Bush had to do something with respect to human rights when he was in China, otherwise he would be unable to justify himself. But how

could he achieve this? Talking about the human rights problem at a formal occasion would only have resulted in open contention and made the visit, which would have satisfied both sides, a mess in which neither side would have gained; in which case it would have been better not to make the visit. If Bush had raised the problem in private talks, China's response could have been expected. Apart from asking for trouble by so doing so, Bush would have been unable to let people at home know that he had tried his best in this respect.

As the U.S. Government had shown its tough position on the human rights problem in the Soviet Union in open speeches and in actions (for example Reagan's meeting with Sakharov), it had to do likewise in China to reassure people at home, and to show that it does not employ a double criterion. For this purpose, Bush and his advisers decided to invite Fang Lizhi to attend the farewell banquet hosted by Bush.

Americans would consider this hint on the state of human rights as mild compared with the tough attitude toward the problem in the Soviet Union, but Chinese leaders, who are incompatible with the Western practice of attaching much value to man and relate "having a meal" to "reputation," considered the mild hint as "having no respect for the host country."

It seems that the American side was not unaware of the sensitivity on the part of Chinese leaders. The spokesman for the Chinese Foreign Ministry said afterwards that "the American side did not consult with China about the matter beforehand," while Bush said he was not duty-bound to inform the Chinese Government before sending Fang Lizhi an invitation to dinner. There is one point in common in their rhetoric, that is, the American side did not send a namelist of those invited to the dinner to the Chinese Government.

According to normal diplomatic protocol, a high-ranking official who is on a visit to another country presents the host country with the namelist of guests he has invited to a banquet, especially a banquet in honor of the leaders of the host country. As usual, the host has the right to raise objections; it wants to make sure there are no "dangerous persons" among the guests, otherwise it cannot be responsible for security at the banquet.

In China, as cadres, intellectuals, and ordinary people are subordinate to the authorities, not only is the visiting foreign leader expected to consult the authorities when deciding upon the namelist of guests, but the namelist is usually provided by the authorities and all invitation cards issued by them through all units concerned. According to LIAOWANG, published in Beijing on 20 March, "the U.S. Embassy, following the usual practice, issued invitation cards to people other than Fang Lizhi, working with the Academy of Sciences of China via the authorities concerned; while in Fang Lizhi's case the invitation was delivered to him directly by the embassy, bypassing his superior."

The U.S. move was designed to create an accomplished fact, taking the inevitable opposition on the part of the Chinese Government into account. After the invitation was delivered, it would have been difficult for the Chinese Government to revoke it even if it were aware of the incident, while the objective of openly showing concern about the human rights issue in China would have been attained.

#### China Categorically Rejects "Human Rights Diplomacy"

Prior to Bush's visit to Mainland China, THE LOS ANGELES TIMES disclosed that Bush would meet with Fang Lizhi at an open occasion. Later, Fang Lizhi told foreign reporters that he had received an invitation. The Chinese Government was not aware of the matter until then and expressed indignation. The spokesman for the Chinese Foreign Ministry alleged that "the Chinese Government has taken up the matter with the U.S. authorities many times." It is clear that the U.S. Government declined to comply with China's demand by making an excuse that the invitation card had been issued. It was reported that China told the United States that Li Peng's seat would remain unoccupied if Fang Lizhi attended the banquet. In response, the U.S. side assured China, as a concession, that President Bush would not leave his seat and Fang Lizhi would be ushered to the backmost table so that the two would not meet. Apparently the two sides failed to reach an understanding.

At the meetings between Bush and Chinese leaders on 26 February, creating a friendly atmosphere was no longer the primary objective. When meeting with Bush, Deng Xiaoping emphasized that China is in dire need of a stable internal environment and expressed hope that foreign friends will appreciate China's position. Li Peng stressed that a few people in America try to affect China's policies and intervene in internal affairs.

If the intervention comes from official quarters, it is bound to cast a shadow on the existing Sino-U.S. relations. Zhao Ziyang levelled criticisms at some people in the U.S. media, saying they have an affection for those in China who advocate introducing Western and American political systems, and try to affect the U.S. Government's present and future policies toward China. Taking the opportunity of a meeting with Bush, the three Chinese leaders taught the president a lesson on the human rights issue in China. The message is crystal clear: China is opposed to the American's attempt to incorporate "human rights diplomacy" into its policy toward China.

The straightforward remarks made by the three Chinese leaders in fact made it impossible for Bush to express concern about the human rights issue to their face. Their remarks amounted to telling Bush that he had better shut his mouth on the human rights problem in China.

### The Public Security Bureau's Plan Was Disrupted

Since Bush was unable to express his concern for the human rights issue in China either at an open occasion or in private talks, he could only drop a hint and reassure people at home by inviting Fang Lizhi to dinner.

What was to be done about China's threat that Li Peng's seat would remain unoccupied? On the morning of the 26th, the U.S. Embassy gave China's State Council a ring, asking them if Li Peng would attend the farewell banquet scheduled for that evening. Their answer was positive. Accordingly, the American side assumed that China had accepted the accomplished fact.

In fact China had other fish to fry. They sent a public security officer to act as driver of the car belonging to the Academy of Sciences of China, and intended to take Fang Lizhi elsewhere so that he would be unable to attend the dinner. They might have entertained him with a meal at best or asked him to "help the police investigate the case," as luck would have it.

The car which eventually carried Fang Lizhi was held up as it was passing the Kun Lun Hotel, and someone inside beckoned him in. This fact might suggest the public security officer had intended to take him to the Kun Lun Hotel—which has connections with the Public Security Bureau and which is on the way to the Great Wall Hotel, where the banquet was being held.

But Fang Lizhi had asked the director of the Beijing branch of the U.S.-Chinese Academic Exchange Commission, Perry Link (professor at the University of California at Los Angeles), to drive him to the banquet for fear that the car of the Academy of Sciences of China would not come. When the two cars came to pick up Fang Lizhi, he decided to take Link's car and called off the car sent by the Academy, thus disrupting the public security organ's plan.

The following incidents ensued: The public security officers falsely charged Link's limousine with violating traffic regulations; told the drivers of taxis not to take Fang when he got out of Link's car; and told public buses not to stop at the bus stop, throwing traffic into chaos. The mass media across the world covered these incidents. But the LIAOWANG weekly published on 20 March ran a variant of the account to the effect that: "Fang Lizhi, Perry Link and their wives were told by the personnel on duty to produce their invitation cards when they arrived at the entrance to the Great Wall Hotel, but Fang Lizhi refused to do so, so he was refused admission." It appears the "entrance" refers to the "entrance to the car park," which is a good distance from the Great Wall Hotel. But Fang Lizhi was quoted as saying that the person on duty said to him: "I am aware that you have an invitation card, but your name is not on the namelist provided by American security personnel." Therefore, Fang Lizhi was not asked

to produce his invitation card. Judging from common sense, it was unlikely that Fang did not take the invitation card with him and refused to show it.

What remains unknown is whether the American official quarters knew in advance that Perry Link was going to pick up Fang Lizhi or it was indeed arranged by the American side. The American side later said the incident was caused by mistakes in operation or that the American Embassy sent an invitation card to Fang Lizhi before they gained the approval of President Bush. But these arguments are not convincing.

Another uncertainty is whether the public security officers' attempt to prevent Fang Lizhi attending the dinner by going so far as to block traffic was designed by the CPC authorities. It is generally believed they would not have been so foolish as to offer such advice. Their instructions might have been to try by every means, except arrest, to prevent Fang from attending the banquet. The original design was perfect, but they did not expect Perry Link would stand in the way with the result that they went so far as to block traffic to keep Fang Lizhi beyond the bounds of the Great Wall Hotel.

### The Human Rights Problem in China Became Conspicuous

The public bureau's "most stupid move" suddenly shifted the mass media's attention from Chinese and American leaders to the professors of the Academy of Sciences of China who were invited to the dinner. Reporters from all over the world gathering news in the Great Wall Hotel's banquet hall accommodating 400 guests, focused their attention on the table on which Fang Lizhi's name plate was placed after they had got the lecture notes of Chinese and American leaders. They had broken the news that Fang was invited. But why was he absent? The reporters did not have to be especially sensitive to know something had happened. They made a phone call to Fang and knew he had set out at 1730. They phoned the American Embassy and China's Foreign Ministry, making inquiries everywhere, but they little expected that the public security officers were playing tricks on Fang Lizhi along the road, like soccer players blocking their opponents. At 2030, that is, when the banquet had been going on for 1 and ½ hours, the reporters rushed to the Shangrila Hotel as soon as they got news that Fang Lizhi was to meet them there, leaving the distinguished guests behind.

The electronic mass media across the world spent a short time that evening covering Bush's activities in Beijing and the speeches made by Chinese leaders, and the newspapers devoted limited space to the same news the next morning, but they all frontpaged the news about Fang Lizhi or made it their first item. The U.S. weekly TIME featured a picture of Fang Lizhi on the front cover with a subtitle in big characters which read: "The man

who did not come to dinner." As a result, Bush's visit to China, which should have satisfied both sides, was overshadowed by the human rights issue.

Many people in Hong Kong, who mind nothing but their own business, and do not like to act as dissidents or speak in the capacity of "social conscience", could not help thinking how unfortunate they would have been to be disturbed in such a way if they had been the driver of Perry Link's car, or of the taxis, or passengers waiting or wanting to get off at the bus stop! Since the power of the police was so great that they could disrupt traffic at random, how can personal security be safeguarded in such a place?

The human rights issue in China has become prominent. It is not confined to the political offender (Wei Jing-sheng) or the dissident (Fang Lizhi), a matter of narrow focus, but rather has extended to everybody's daily life, a matter of wide focus. The world has come to know now that the Chinese people's basic human rights are little respected.

#### The Fang Lizhi Incident Has Far-Reaching Significance

Deng Xiaoping, Li Peng, and Zhao Ziyang may have prevented Bush from raising the human rights problem in China by teaching him a lesson on the issue, but the Fang Lizhi incident urged the American public and the media to pay great attention to the issue. Chinese leaders have tried their best to stop the American Government incorporating its "human rights diplomacy" into its policy toward China, but the American people will press their government to pay attention to the human rights problem, which they had little intended to touch upon. U.S.-Chinese relations are rather complicated and difficult; it will now be even more difficult for the Bush administration, with the addition of human rights, a taboo subject for Chinese leaders.

Both the Chinese and American Governments have tried to minimize the Fang Lizhi incident since it happened. But the response of the American media and Chinese official weekly LIAOWANG suggest their attempt will not be successful.

Fang Lizhi's possible nomination for the next Nobel Peace Prize, for which a campaign was unfolded in the United States in March, constitutes a sustained stimulus to the Chinese authorities. Doubtless the human rights problem in China will constitute a new stumbling block to the development of Sino-U.S. relations.

Fang Lizhi's nomination for next Nobel Peace Prize is an amazing event. The change in the international situation brought about by the new obstacle to the improvement of the Sino-U.S. relations will also be important. Viewed from this perspective, the Fang Lizhi incident has far-reaching significance, and the Public Security Bureau in Beijing has played an important role in this respect.

#### Bush Urged To Maintain Current Foreign Policies

OW1004233989 Beijing XINHUA in English  
1848 GMT 9 Apr 89

[Text] Washington, April 9 (XINHUA)—U.S. President George Bush has been urged not to steer too far away from the current foreign policy toward the Soviet Union and Europe, according to "THE NEW YORK TIMES" and "THE WASHINGTON POST" today.

The papers disclosed that three classified foreign policy review reports were submitted to Bush by administration experts last week. They advised Bush to take a middle course between a skeptical approach toward Soviet policies and bold foreign policy initiatives of its own.

The three policy review reports, covering the Soviet Union, Eastern Europe and Western Europe, are considered the most important of dozens of review papers. They were prepared by an interagency committee, chaired by Deputy National Security Adviser Robert Gates.

During a meeting of the National Security Council to discuss the reports last Tuesday and Wednesday, Bush reportedly reacted to the three reports by asking for some supplementary information rather than a redrafting.

The disclosure of the policy review reports are seen here as an intention of the administration to ease U.S. public and Soviet complaints about its slow foreign policy reviewing.

While visiting Cuba last week, Soviet leader Mikhail Gorbachev criticized Bush for the slow pace of U.S. foreign policy review, noting that it was threatening the momentum behind improving East-West relations.

Responding to this complaint, Bush said, "we'll be ready to react when we feel like reacting" to proposals made by Gorbachev.

One of the review reports, a roughly 30-page report on the Soviet Union, urged that the U.S. policy "should not be designed either to help or hurt" Gorbachev.

The report noted that the U.S.-Soviet trade may not be dramatically increased, partly because of wide economic differences and the Soviet inability to make sufficiently profitable deals.

This pre-emption was said to be based on the assessment that Gorbachev is likely to remain in power for at least the next three to five years, and that he would be preoccupied by internal difficulties.

In fact, the recommendation reflects the Bush administration's suspicion of Moscow's ultimate intentions of pursuing the policy of detente.

Analysts here thought the papers confirmed, to some extent, the conviction that Bush is more skeptical of the Soviet Union than Reagan, and therefore is likely to slow down the pace a little bit in improving the superpower relations, as compared with what Reagan did in his last few years in office.

The report on Eastern Europe did not embrace a controversial formula advanced by former Secretary of State Henry Kissinger, in which the United States would provide assurances to the Soviet Union that increasing democratization in those Soviet allies would not be answered by new Western challenges to Soviet security.

The roughly 25-page report on Western Europe did not support growing calls in some member-nations of NATO for dramatic reductions in NATO forces, in concert with larger cuts in Warsaw Pact forces.

The report indicated that the West probably needs to develop a new proposal on conventional arms cuts that has more political appeal than last month's cautious call for a reduction of both pacts' conventional forces to a level 5 to 10 percent below the current level of NATO's.

The Bush administration is reportedly still engaged in a review of arms control policy and some other issues, which is expected to be completed in early May, when Secretary of State James Baker goes to Moscow to hold talks with his Soviet counterpart.

#### **State Council Aids Injured American Student**

*OW1004163489 Beijing XINHUA in English  
1600 GMT 10 Apr 89*

[Text] Wuhan, April 10 (XINHUA)—An American passenger on a ship sailing from Chongqing, Sichuan Province, along the Yangtze River to Wuhan, capital of Hubei Province, was injured in an attack by a person or persons unknown last Saturday.

Derron Craft, a student at the Beijing Institute of Foreign Languages since last September, was touring China alone at the time.

He was rushed to the hospital after being attacked in the second-class cabin of the cruise ship, No 10 Jiangyu, as it neared Shishou City, Hubei Province, at two a.m. on April 8.

When the State Council, China's highest governing body, learned of the incident the same day it immediately sent medical experts by air from Wuhan to Shishou, and Craft was transferred by helicopter to the Tongji Hospital in Wuhan the same day.

Craft is said to be still in critical condition after an operation.

#### **PRC, U.S. Cooperate on FT-8 Aviation Engine**

*HK1004151389 Beijing CEI Database in English  
10 Apr 89*

[Text] Beijing (CEI)—China and the United States are co-developing the up-to-date FT-8 light gas turbine.

FT-8 is an aviation engine with a power of 25,000 kw. The first gas turbine sets will be put into trial operation in China in 1990.

China and the United States are to cooperate in design, production, marketing and developing. The American side will be responsible for technical problems. The Chinese side will manufacture 30 percent of the parts and take charge of marketing in Eastern Europe and Southeast Asia.

#### **PRC, U.S. Copublish Technological Magazines**

*OW1004152989 Beijing XINHUA in English  
1257 GMT 10 Apr 89*

[Text] Beijing, April 10 (XINHUA)—The quarterly magazine "ELECTRONIC BUSINESS—Chinese Edition" has recently reached 24,000 Chinese electronic management executives, engineers and technicians, thanks to the American publishing company of Cahners and the Chinese Ministry of Machine-Building and Electronics Industry.

The journal publishes material on advanced technology, the management and marketing of the world electronic industry, and the achievements of the fast-changing Chinese electronics and computer industry.

Cahners Publishing Company is a major division of Reed Publishing U.S.A. The company and the Ministry of Machine-Building and Electronics Industry have decided to co-produce another magazine this year, "DESIGN NEWS—Chinese Edition", which specializes in machinery-building.

Allen S. Furst, the American publisher, and Wang Renjie, the Chinese publisher, announced here today that "ELECTRONIC BUSINESS—Chinese Edition" will sponsor a cover-design contest at the Chinese Central Institute of Arts and Crafts.

Young students, China's future industrial art designers, are invited to depict the current state or future of China's electronics and computer industries, they said.

Prize-winners will be announced in May. The award-winning entries will be selected for the cover of "ELECTRONIC BUSINESS—Chinese Edition".

### Northeast Asia

#### Preparations Underway for Li Peng Visit to Japan

**Foreign Minister Uno Interviewed**  
*OW1004151689 Beijing XINHUA in English*  
*1310 GMT 10 Apr 89*

[“Japan Sees Great Significance in Li Peng’s Visit: Uno (by Zeng Hu)”—XINHUA headline]

[Text] Tokyo, April 10 (XINHUA)—Japan is attaching great importance to Chinese Premier Li Peng’s visit here, and will exert utmost efforts to further develop the bilateral relations, Japanese Foreign Minister Sosuke Uno said here today.

Premier Li’s visit “is of extreme significance in pushing the Sino-Japanese relations into a new phase, and will surely add a new chapter to the history of Japan-China friendship,” Uno said in an interview with XINHUA.

The Chinese premier is to arrive here Wednesday on a five-day official visit, during which he will have an audience with Japanese Emperor Akihito and talks with his Japanese counterpart Noboru Takeshita.

The Japanese Government and people will warmly welcome Premier Li’s visit, and “talks between leaders of the two countries will not only further develop the personal trust between the leaders themselves, but will also promote mutual understanding between the two peoples,” Uno stressed.

It is one of the major pillars in the Japanese diplomacy to secure long-term and stable development of the Japan-China ties, the foreign minister said, noting that China, on the other hand, too attaches importance to Japan in its foreign policy.

“We would like observe the principles agreed upon by the two countries in the Japan-China Joint Communiqué and the Japan-China Friendship Treaty, draw lessons from the history, and exert utmost efforts to further improve the bilateral relations,” the foreign minister pledged.

He also pointed out that Japan-China relations are also of great importance in carrying out the Japanese initiatives in international cooperation.

The Japanese initiatives stress better international cooperation in promoting world peace, great efforts by Japan to provide its official development assistance (ODA) to the developing countries, and promoting cultural exchanges between Japan and countries around the world.

“The Japan-China relations that contribute to the whole world” will surely be established, so long as the two countries make continuous efforts to this effect, Uno added.

**Other Japanese Interviewed on Visit**  
*OW1104113389 Beijing XINHUA in English*  
*0849 GMT 11 Apr 89*

[“Japanese People Wish Chinese Premier’s Visit Successful (by Zhu Ronggen, Zeng Hu)”—XINHUA headline]

[Text] Tokyo, April 11 (XINHUA)—With Chinese Premier Li Peng due to arrive here Wednesday, Japanese people in varied circles expressed their hope that the visit will boost Sino-Japanese relations one step farther.

In an interview with XINHUA, president of the Japan-China Friendship Association, Tokuma Utsunomiya, said, in Japan today, thousands of people are actively engaged in promoting Japan-China friendship, and therefore, the Japanese people warmly welcome the upcoming visit to this country by Premier Li.

Li Peng’s visit will be the first by a Chinese premier since May 1982.

Li Peng and his wife Zhu Lin, accompanied by Foreign Minister Qian Qichen and several other government ministers, are to arrive at Tokyo’s Haneda Airport Wednesday afternoon.

During his five-day stay, the Chinese premier will hold talks with his Japanese counterpart, Noboru Takeshita, and will have an audience with Emperor Akihito.

He will also visit steelworks in the Chiba Prefecture, and then travel west to see the Honshu-Shikoku Bridge, the longest in the world.

After that, the premier will go on to the Fukuoka Prefecture, northern Kyushu, and will visit the Asian-Pacific exposition there before leaving for home Sunday.

Former President of the Ruling Liberal Democratic Party (LDP) Susumu Nikaido expressed his welcome to Li’s visit. He told XINHUA that he is confident in the future development of Japan-China ties, though there still exist problems to be ironed out between the two countries.

He said that political and economic relations between the two governments have been becoming closer, and that exchanges between the two peoples have been fairly active ever since the normalization of relations in 1972.

Senior adviser to the Japan-China Economic Council, Kaheiwa Okazaki, who is 91 years old and has visited China 98 times, told XINHUA that it is his lifelong belief that Japan must keep friendly relations with China, calling it a policy of wisdom.

Yoshikatsu Takeiri, top adviser to the opposition party Komeito, said he had met with Li several times and was left with strong impressions, especially during their talks at the Great Hall of the People in Beijing.

Japanese Ambassador to China Toshijiro Nakajima who is now in Tokyo for Li's visit, said in a speech that the exchange of visits by the heads of the two governments is of extreme significance, especially during the 40th anniversary of the founding of the People's Republic of China.

The agreements reached between the two countries last August when Prime Minister Takeshita visited Beijing will start to be carried out one by one after Li's visit, the ambassador said.

**Li To Ask for Economic Cooperation**  
*OW1104095989 Tokyo KYODO in English*  
*0854 GMT 11 Apr 89*

[Text] Beijing, April 11 KYODO—Chinese Premier Li Peng is expected to ask Japan for more economic and technical cooperation during his visit to Japan from Wednesday, Japanese diplomatic sources said Tuesday.

In his five-day visit, the first by a Chinese leader since 1983, Li is scheduled to meet with leaders of Japanese economic organizations, to assure them that China intends to maintain its liberalization and reform policies, the sources said.

Such talks are aimed at strengthening economic exchanges with Japan, and acquiring its assistance in the modernization of Chinese economy, they said.

Li will also meet with Emperor Akihito on Thursday and is expected to invite the emperor to China. If realized, the visit would be the first ever by a Japanese emperor to the People's Republic of China and would signify a new phase in Sino-Japanese relations.

Since bilateral ties were normalized in 1972, the relationship between the two countries has been stably developing, although there have been differences over issues such as Japan's war responsibility and the transfer of technology to China, the sources said.

Li's meeting with Japanese Prime Minister Noboru Takeshita, which is to take place soon after his arrival, is significant in light of relaxation of tensions in the world and development of bilateral ties, they said.

Because Li is known to be a practical negotiator, economic cooperation, such as increasing the transfer of technology, and investments in China, is expected to be discussed in depth between the two leaders.

China is aware, however, that the timing is not the best for a visit with Takeshita, since the Japanese political scene is being increasingly shaken by the Recruit stock scandal. The time was set as a return visit for one paid by Takeshita to China last year, the sources said.

**XINHUA 'Roundup' Surveys PRC-Japan Trade**  
*OW1104003589 Beijing XINHUA in English*  
*1611 GMT 10 Apr 89*

[“Round-up: Sino-Japanese Trade and Economic Relations”—XINHUA headline]

[Text] Beijing, April 10 (XINHUA correspondent Chen Ming)—Zheng Tuobin, minister of foreign economic relations and trade, said here today “we hope that Sino-Japanese economic and trade relations, an important part of the two countries’ friendly cooperation, would be further expanded.”

Japan is one of China's biggest trading partners. In 1972, the trade volume was only 1.1 billion U.S. dollars. Sixteen years later, trade was 18.98 billion U.S. dollars. This is almost one-fifth of China's total foreign trade.

Observers here held that Sino-Japanese trade relations have been fairly good. However, they pointed out, not much progress has been made in Japan's investment in and technology transfer to China.

From 1985, trade has been heavily in Japan's favor. The Japanese surplus was 3.68 billion U.S. dollars in 1987 and 3.13 billion U.S. dollars in 1988.

Trade increased by three percent in the first two months of this year to 2.29 billion U.S. dollars. China's exports totalled 968.55 million U.S. dollars and imports were 1.32 billion U.S. dollars.

Chinese Vice-Premier Tian Jiyun, who is responsible for China's foreign trade, has appealed to Japanese businesses to help redress the balance.

It is learned that during his coming Japan visit Chinese Premier Li Peng and his Japanese counterpart Noboru Takeshita will discuss the promotion of Sino-Japanese economic cooperation.

Currently, Japanese investment in China is worth about two billion U.S. dollars, making Japan the third biggest investor in China after Hong Kong and the United States.

But, Japanese investment in China is insignificant compared with its investments elsewhere. The investment is 1.2 percent of its total overseas investments of over 140 billion U.S. dollars. Japanese companies have invested 4.5 billion U.S. dollars in Hong Kong.

Wang Deyan, governor of the Bank of China, said that in comparison to the overall rapid increase in Japanese overseas investment during the past two years, Japan is only in the initial stage of investing in China.

He told Japanese businessmen to stop worrying unnecessarily about investing in China and adopt a positive, long-range view in order to improve the present situation.

Guo Dongpo, vice-president of China's Council for the Promotion of International Trade, said the Chinese Government believes that the current move to rectify the economic order will help straighten out a better economic environment for foreign investment.

Last August, the two countries signed an investment protection agreement which aimed to remove some of the obstacles facing Japanese companies investing in China.

Takeshita said that China is making efforts to improve work efficiency, taxation, infrastructure and the investment climate in general.

Against such a background, he added, Japan will increase its investment in China. Japan's small and medium-size enterprises are particularly willing to invest in China.

Japan has also stepped up its aid program to China. During Takeshita's visit to China last year, he unveiled a 6.5 billion U.S. dollar aid package to fund 42 projects, covering railways, ports, power stations, airports, telecommunications, urban construction and fertilizer production.

The biggest thorn in Sino-Japanese relations is the question of technology transfer.

It was an issue raised by senior Chinese leader Deng Xiaoping during Takeshita's visit. "High technology and investment are even more important than granting loans," Deng said.

To strengthen the two countries' technological cooperation, Takeshita pledged support to China's modernization program. He proposed the convening of a Sino-Japanese conference on technological exchanges. The first meeting is expected to be held in May.

At the same time, Japan has loosened some controls over the transfer of high technology to China.

**Sihanouk Arrives in Pyongyang 10 Apr**  
**OW1004120889 Beijing XINHUA in English**  
**1039 GMT 10 Apr 89**

[Text] Pyongyang, April 10 (XINHUA)—Samdech Norodom Sihanouk, president of Democratic Kampuchea, arrived here today for a visit to the Democratic People's Republic of Korea (DPRK).

Prince Sihanouk and his wife were greeted at the airport by Vice President Pak Song-chol and other DPRK party and government leaders.

Chinese Ambassador Wen Yezhan and Kampuchean Ambassador Son Chun to the country also greeted the prince.

It was disclosed that Prince Sihanouk will visit the country for 20 days, then he is scheduled to visit to Indonesia and other Southeast countries.

### Near East & South Asia

**Israeli 'Atrocities' in Occupied Land Assailed**  
**HK1104130089 Beijing RENMIN RIBAO in Chinese**  
**6 Apr 89 p 4**

[“Jottings” by Wen Xian (3306 2009): “Acceptable to What Kind of ‘Law’?”]

[Text] The subject of the atrocities committed by Israel in the occupied land was brought up in a recent interview with Israeli Defense Minister Rabin by a reporter of the French newspaper LE FIGARO. To this, the defense minister brazenly stated: "My taking these steps is legal and not contrary to international law. I believe that these measures can put down the flames of the uprising... according to the Geneva convention, we have the right to adopt such measures."

Mouthing words like "international law" and "Geneva convention" left and right, Mr Rabin seems quite an expert in sanitizing Israel's actions and framing them within such legal terms. However, a study of the Geneva convention of August 1949 can only elicit a laugh. One of the primary principles of the convention is the ban on any form of killing, mutilation, deprivation of human dignity, detention of hostages, collective punishment, absence of due process, or injury to people and property. Nevertheless, it is common knowledge that Israel resorted to such acts of atrocity that are contrary to the convention in suppressing the Palestinian people of the occupied land. According to a Palestinian news agency report in February, some 600 Palestinians, mostly women and children, have been killed by the guns of Israeli soldiers in the anti-Israeli uprising since 8 December 1987. Moreover, 800 civilian houses were destroyed, more than 1,000 persons mutilated, 30,000 arrested, and 23,000 others wounded. Recently, the Israeli Army even deployed helicopters to drop tear gas, stones, and spray dirty water in an effort to suppress the Palestinian people's struggle. Rabin's description of these actions and measures as conforming with international law is a gross travesty of international laws and conventions. Indeed, to speak of "international law" when, in fact, one's country is occupying the land of others, raping the civilians there and has hands dripping with blood—is Mr Rabin not just a bit too shameless?

International laws such as the Geneva convention cannot help the occupation army of Israel. Mr Rabin and company are well-advised to change their policy of violence. Otherwise, the flames surging from the Palestinian people's struggle will burn brighter and spread farther.

**Iranian Foreign Ministry Official Visits**  
*LD1104110189 Tehran IRNA in English*  
*1030 GMT 11 Apr 89*

[Text] Beijing, April 11, IRNA—A visiting senior Iranian official urged China, as a permanent member of the U.N. Security Council, to take necessary actions to pave the way for implementation of Resolution 598 and other international pacts.

Deputy Foreign Minister for Asia and Oceania Javad Mansuri, who arrived here Monday after visiting the Democratic People's Republic of Korea, met with Chinese Foreign Minister Qian Qichen later in the day.

Mansuri explained Iraqi impediments in the way of the peace negotiations with Iran and said no progress had so far been achieved in the implementation of the resolution.

Bilateral relations as well as other important international topics were also discussed between the two officials.

Qichen described mutual ties as "very old" and stressed that they enjoy a "particular place" in the history of civilization which helps regional and international peace.

The ceasefire between Iran and Iraq has provided the ground for peace, the Chinese senior official said, adding that "now that Iran is in a post-war reconstruction stage, Chinese-Iranian ties are considered as very significant."

Referring to the roles Beijing and Tehran have in their regions, Mansuri noted that the two countries could exchange views on regional questions and reach common stands on some key issues.

The Iranian official also held talks with the Chinese deputy foreign minister. Tehran-Beijing relations, the questions of Afghanistan, Cambodia, Palestine and Lebanon were among topics discussed between the two counterparts.

**Trade Envoy to Riyadh Interviewed**  
*PM1104081289 Riyadh AL-RIYAD in Arabic*  
*5 Apr 89 pp 1, 17*

[Sulayman al-Nasir report: "Chinese Trade Envoy Tells AL-RIYAD: Major Joint Action Opportunities Ahead"]

[Excerpts] A Chinese delegation now visiting Riyadh is preparing to open a Chinese trade mission in Riyadh, while a Saudi delegation is preparing to open a Saudi trade mission in Beijing, in order that the two missions,

whose establishment was agreed upon last November, can start work on trade exchanges and the development of cooperation between the kingdom and China. [passage omitted]

In a statement to AL-RIYAD, Deng Shaoqin, the PRC's acting trade envoy, said that "in accordance with the agreement signed by the two countries' ambassadors in the United States last November—namely, the memorandum of understanding recommending the opening of trade missions in both Riyadh and Beijing—we have come to Riyadh, and a Saudi delegation is now in Beijing." [passage omitted]

Deng Shaoqin, known among Saudi businessmen as "Najib," has a good command of the Arab language, both spoken and written.

"Najib" said: We, as an 8-member group, are now making arrangements and preparing to lease a building so the mission can start its work.

Contacts have been made by friendly Saudi businessmen. Furthermore, Ambassador Tawfiq 'Alamdar is with the Saudi delegation in Beijing for the same purpose, to prepare for the opening of the Saudi trade mission in Beijing. "Najib" added that he is "very confident that with our dear friends' help and our joint efforts our missions' work will be successful."

He went on: We will work and make efforts to increase mutual understanding, strengthen cooperation, and develop Saudi-Chinese relations in all fields, so that our relations can reach a higher level in the interests of both countries and both peoples.

He said that "trade exchange has witnessed major development, as we import from the kingdom petrochemicals, fertilizers, and plastics. And there are various PRC products in the Saudi markets. Via the trade mission we will seek to strengthen cooperation in the economic, trade, and financial fields. The contacts made by our friends, the Saudi businessmen, since the delegation arrived bode well for our mission's success."

"Najib" added that "the opening-up policy which the PRC pursues toward the outside world, especially the Third World states, is aimed at achieving mutual benefits and common interests. [passage omitted]

**West Europe**

**Sino-Portuguese Liaison Group Issues Communiqué**  
*OW1104012089 Beijing Television Service*  
*in Mandarin 1100 GMT 7 Apr 89*

[From the "National Hookup" program]

[Text] A press communiqué was issued yesterday on the fourth session of the Sino-Portuguese Joint Liaison Group. The communiqué says: The fourth session of the

Sino-Portuguese Joint Liaison Group was held in Lisbon 3-6 April. In the spirit of cooperation and mutual understanding embodied in the Sino-Portuguese Joint Communique, the two sides reached agreement on the question of language and public service personnel in Macao during the transitional period and on three legal matters. The two sides also exchanged views on other issues. The two sides agreed that the fifth session of the Sino-Portuguese Joint Liaison Group would begin in Macao on 31 July 1989 to study matters of mutual concern. The session was held in an atmosphere of friendship and cooperation.

**Party Officials Host Greek Communist Delegation**  
*OW1004212489 Beijing XINHUA in English*  
*1430 GMT 10 Apr 89*

[Text] Beijing, April 10 (XINHUA)—Song Renqiong, vice-chairman of the Central Advisory Commission of the Chinese Communist Party (CPC), met and feted a delegation from the Greek Communist Party led by its General Secretary Harilaos Florakis here this evening in the Great Hall of the People.

This represents the first visit ever to China by head of the Greek Communist Party since the two parties resumed relations in 1987.

Present on the occasion was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

The Greek Communist delegation arrived here this noon at the invitation of the Chinese Department and is scheduled to meet his Chinese counterpart Zhao Ziyang tomorrow and visit Tianjin on Wednesday.

**East Europe**

**State Councillor Meets CSSR Labor Minister**  
*OW1004134989 Beijing XINHUA in English*  
*1220 GMT 10 Apr 89*

[Text] Beijing, April 10 (XINHUA)—State Councillor Chen Junsheng met here today a Czechoslovak delegation led by Miloslav Boda, minister of labour and social affairs.

The visitors arrived here Sunday. They will exchange views with Chinese departments concerned on social security and welfare.

**Further on Meeting**  
*LD1004182489 Prague CTK in English*  
*1714 GMT 10 Apr 89*

[Text] Beijing April 10 (CTK correspondent)—Czechoslovak Minister of Labour and Social Affairs Miloslav Boda met here today Chen Junsheng, member of the State Council of the Peoples' Republic of China.

Chen Junsheng stressed in the dialogue the importance of the line aimed at improving economic atmosphere and order which has been set up by the third session of the Central Committee of the Chinese Communist Party last September. As he stated it is a comprehensive guideline for reforms in China. Originally the reforms were planned for two years but they may take longer, he said.

At the meeting in the Chinese parliament, the National People's Congress, Minister Boda explained the restructuring of economy in Czechoslovakia. He gave more details on questions of pricing and wage policy and increasing of labour productivity which are being widely discussed also in China.

Chen Junsheng and Miloslav Boda appreciated good mutual relations and underlined the usefulness of exchange of experiences concerning the construction of the two countries.

## Political & Social

### Administration To Invalidate 100,000 Press Cards

OW1004115789 Beijing XINHUA in English  
1111 GMT 10 Apr 89

[Text] Beijing, April 10 (XINHUA)—The Press and Publications Administration under the State Council decided today to invalidate at least 100,000 of the 300,000 press cards in China because they have been issued irresponsibly and used by some people to swindle and bluff.

Lin Fengsheng, director of the Newspaper Bureau of the Administration, told XINHUA that in recent years many local government departments have held journalism training courses. After only short-term training, the students can be given press cards. Bureau statistics show that about 10,000 have been issued in this way.

Lin said most departments have been stopped from issuing press cards and departments of public security have detained some people who have sold counterfeit cards.

But, Lin said, some newspaper companies have also been acting irresponsibly. "A newspaper company in Sichuan Province has only some 10 correspondents and editors but has issued more than 200 press cards, most of which are in the hands of part-time reporters."

Even the doorkeepers of some newspaper companies have press cards, while many non-journalistic magazine companies have issued countless numbers of them. Altogether, some 300,000 have been issued throughout the country.

Lin said those who have used press cards to swindle and bluff have seriously harmed the reputation of correspondents and affected their normal work and legal rights. Genuine correspondents enjoy priority in buying travel tickets.

The Press and Publications Administration has decided to invalidate the press cards held by those who are not correspondents or not full-time employees of newspaper and magazine companies. Only cards with a special kind of confirmation will be valid.

Lin said the administration is aiming to cut down the number of cards on issue to correspondents to 100,000.

### Decree Promulgates NPC Rules of Procedure

OW1004105989 Beijing Domestic Service in Mandarin  
1030 GMT 9 Apr 89

[From the "National Hookup" program]

[Text] President Yang Shangkun on 4 April signed Presidential Decree No 17. The presidential decree reads: The Rules of Procedure for the National People's

Congress [NPC] of the PRC were approved by the Second Session of the Seventh NPC on 4 April 1989. They are herewith promulgated and will take effect on the day of promulgation.

XINHUA NEWS AGENCY transmitted the full text of the Rules of Procedure for the NPC of the PRC on 9 April. At the same time, it also transmitted the explanations on the draft of the Rules of Procedure made by Wang Hanbin, vice chairman of the NPC Standing Committee and chairman of the Legislative Affairs Commission, at the Second Session of the Seventh NPC.

### Commentator Views Administrative Procedural Law

HK1004123089 Beijing RENMIN RIBAO in Chinese  
10 Apr 89 p 1

[Commentator's article: "An Important Step in Building Democratic Politics"]

[Text] The long-awaited "PRC Administrative Procedural Law" has been adopted by the Second Session of the Seventh National People's Congress [NPC]. This is a matter of primary importance in the building of the socialist legal system in our country, and an important step in the building of our socialist democratic politics as well. With the enforcement of this law, the legitimate rights and interests of citizens and organizations can be effectively protected, and the functions and powers exercised by the administrative organs can be upheld and supervised in accordance with the law. This will promote the development of a clean and honest administration in our country.

Our government is serving the people. However, the level and quality of our government functionaries are not the same. When they are exercising their powers and functions, it is very difficult to completely avoid such matters as encroaching upon the legitimate rights and interests of citizens, legal entities and other organizations. In the past, when such things happened, citizens, legal entities, and other organizations very often placed their hope on appealing to the higher authorities for help.

Experiences have shown that many problems cannot be solved simply through appealing to the higher authorities for help. An effective way for protecting the legitimate rights and interests of citizens, legal entities, and other organizations, and for urging administrative organs to carry out their administration in accordance with the law is to enact the administrative procedural law, and to establish an administrative procedural system. Now, the administrative procedural law has been promulgated, and common people are allowed to go to court against "officials," and the procedure followed by the courts in trying cases have become more perfect. When the legitimate rights and interests of citizens, legal entities and other organizations are harmed by the administrative organs, remedial measures can be promptly taken, and the administrative behavior that breaks the law can also be corrected.

Nowadays, the administrative procedural law, criminal procedural law, and civil procedural law have become the three main procedural laws. Whether a country can establish an administrative procedural system is an important yardstick for measuring the level of democracy and rule by law of this country. The promulgation of the administrative procedural law in our country is an important mark showing the fact that our country has followed the track of socialist rule by law. Our task is to turn good laws and regulations written on paper into action by the people. This demands that we do much work. First, working personnel in People's Courts responsible for trying cases should study well, and strictly enforce the law. Now the plaintiffs sitting in front of them are the common people, or legal entities, and the defendants sitting in front of them are administrative chiefs of the administrative organs. In front of such plaintiffs and defendants, judges must be upright and outspoken, and fear no power and influence, and handle cases impartially. They must have courage to do so. People hope that when judges are trying administrative cases, they will always uphold the principle of sticking to facts, and of taking law as the criterion. Second, whether the administrative procedural law can be observed is closely connected with whether the administrative organs and their working personnel have a correct understanding of the law. This has demanded that administrative organs of the state at all levels conscientiously organize their working personnel to study the law in order to become familiar with the relevant stipulations contained in the law, master its spirit, and overcome the erroneous idea of certain cadres who wrongly think that engaging in a lawsuit with common people is a matter beneath their dignity. Measures must be taken to stop the act of refusing to appear in court after a summons for trial is issued, and of refusing to follow court decisions. Of course, citizens and organizations as plaintiffs in the administrative procedure should also overcome the misunderstanding that since they can sue the administrative organs when they refuse to obey the punishment meted out by these organs, they can arbitrarily bring a lawsuit. These ideas and acts are wrong. Administrative punishment and decisions that conform with the law are needed in order to administer the state well. Citizens and organizations should conscientiously obey them, rather than going to court arbitrarily.

After the promulgation of the administrative procedural law, we should publicize it through various forms so that the broad masses of cadres and people can understand the significance of the promulgation of the law, and master well the law's content. This work should, first of all, be done by the People's Courts and organs of public opinions. We believe that through the propagation and enforcement of the administrative procedural law, the process of promoting democracy and legislation in our country will be accelerated. This will effectively protect the legitimate rights and interests of citizens, legal entities, and other organizations, and urge administrative organs to carry out their administrative work according to law.

**Beijing University To Mark May 4th Movement**  
*OW1004143189 Beijing XINHUA in English*  
*1237 GMT 10 Apr 89*

[Text] Beijing April 4 (XINHUA)—Beijing University—the birthplace of the May 4 Movement of 1919—will mark the 70th anniversary of the revolutionary movement by holding a series of symposiums and other activities.

Early on May 4, 1919, Beijing students demonstrated in front of Tiananmen Square in protest of imperialist aggression against China and the traitorous Chinese Government. This launched a sweeping anti-imperialist and anti-feudal patriotic movement nationwide.

The symposiums will include "Retrospect and Prospects of the May 4 New Culture Movement," "The May 4 Spirit and China's Modernization" and "The May 4 Movement and the Spirit of Beijing University."

The philosophy department of the university, together with the Chinese Academy of Social Sciences and a university in Taiwan, will jointly sponsor a seminar on the May 4 Movement and the cultures of the East and the West to mark the 70th anniversary.

Meanwhile, a photo exhibition will be held and special publications will be issued.

The school's program says the commemorative activities are aimed at carrying on the revolutionary and patriotic tradition of the movement and developing its spirit of democracy and science.

Leaders of 29 Beijing University alumni associations will be invited to talk to students and give lectures.

On the evening of May 4 students and teachers will hold a large-scale torchlight get-together and other recreational activities.

**Scholars Discuss Movement**  
*OW1004230489 Beijing XINHUA in English*  
*1650 GMT 10 Apr 89*

[Text] Beijing, April 10 (XINHUA)—A number of Chinese scholars today called for a fair evaluation of traditional Chinese culture, saying that in this respect both self-complacence and the inferiority complex should be avoided.

Scholars from institutions of higher learning across the country are attending a symposium marking the 70th anniversary of the May 4 movement at Beijing University.

Speaking at the opening of the symposium today, Ji Xianlin, a professor at the university's Department of Oriental Languages and Literatures, said that in judging traditional Chinese culture some Chinese and Western scholars lack what he called "a historical viewpoint".

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It is true that Chinese culture had a glorious past, he pointed out, but "we shouldn't rest content with past achievements, like Ah Q in a story by leading modern writer Lu Xun, who advocates mental victories in the face of failure."

Meanwhile, the professor said, the unfavorable influence of Western cultures on the present-day China should also be opposed. In recent years, he said, there has been a blind worship of things foreign.

He said some people look down upon every bit of Chinese culture while praising Western cultures to the skies "as if only foreign monks are capable of chanting the right scriptures."

Ji also warned Westerners to avoid going to extremes. "It's unfair for them to regard all things Chinese as inferior and their own cultures as superior all the time—in the past and in the future," he said.

Ji's point was echoed by Zheng Hangsheng, vice-president of the People's University of China, who criticised the total negation of the Chinese culture.

After praising the anti-imperialist and anti-feudal May 4 Movement, Zheng, professor of sociology and philosophy, said it is necessary to draw a lesson from the movement, which he believed to be too negative concerning traditional Chinese culture.

At that time, people tended to take all Western cultures as progressive and all Oriental cultures as backward, he said, adding that they even went so far as to label some outstanding parts of the Chinese culture as "feudal."

However, scholars at the meeting said China should not belittle Western cultures. "We must learn from the West, not only today but also tomorrow," Ji Xianlin stressed.

"This policy of ours should not change. It would be very dangerous if we stand still and refuse to make progress, as our ancestors used to do," he said.

The four-day symposium, entitled "Retrospect and Prospects of the May 4 Movement," is sponsored by the State Education Commission.

#### **Article Views Call for Clean Government**

*OW2203024589 Beijing BAN YUE TAN in Chinese  
No 4, 25 Feb 89 pp 4-5*

[Article by Xue Zhongxin (5641 0022 2450): "People Are Calling for Clean Government"]

[Text] In the second issue of this magazine we discussed "Society Is Calling for Civility;" now we will talk about "People Are Calling for Clean Government." Civility and clean government currently are both popular topics of conversation. The two are closely related and complementary to each other.

The call for clean government was initiated by Zhongnanhai, reported by every newspaper, and talked about in all families and households throughout the country.

The occurrence and spread of corruption have caused deep discontent and uneasiness among the masses. Some high- or low-ranking officials have failed the test of reforms and opening to the outside world. They make things difficult for people, take bribes, break laws to achieve personal gain, use their influence to engage in commercial activities, squander the financial resources of the state, build personal houses with public funds, and so on. This adverse current is lashing at our advancing ship, polluting the flag of reforms, and sapping the fighting will of the people.

Is this exchange between power and money an inevitable phenomenon on the road of reform? Is this an obstacle that cannot be overcome? Can this phenomenon be stopped?

On behalf of the people, the CPC Political Bureau solemnly declared: We must be firm in our efforts to reform and open to the outside world and promote economic prosperity; we must be firm in our efforts to maintain honesty and integrity and fight corruption!

The power of the masses and the strength of public opinion and supervision can never be underestimated. The eyes of the thousands upon thousands of people and their call will be so overwhelming that they can frighten and stop those who are abusing power to achieve personal gains, and can eventually help wipe out corruption. With the leadership and the people being of the same mind, we are bound to win this battle to eradicate corruption.

A hurricane of clean government has been blowing on the good earth of China. Documents carrying prohibitions are being issued to all party and government organizations one after another; stories exposing those who manipulate power for personal ends appear in the press; stations accepting the masses' letters of accusation are taking action; and cases of taking bribes, corruption, and profiteering are being investigated and handled.

People in all walks of life are observing. Those who take bribes and bend the law are watching every mood of others and are trusting luck. They hope to see the storm vanish soon so they may safely remain in their official positions. The masses who are concerned about the reforms are waiting to see. They are half worried and half pleased, because they are wondering whether this wind-storm will blow away the gloomy clouds that cover the skies of reform. Foreigners who have different motives are also talking about the matter. They want to see whether the Chinese authorities can safely tide over the crisis of corruption.

The masses are calling for clean government. China's future is calling for clean government.

This is because what reform, a complicated and herculean social project and an unprecedented, great cause, needs most is the people's concerted efforts and the leaders' dedication. Only then can reform have impregnable rallying strength and invincible fighting power!

This is because the fostering of a new habit of civility, the bringing up of a new generation, and the forming of a good social environment all call for leaders' refusal to be contaminated by evil influences, their taking the lead in setting an example, and their earnestly practicing what they advocate.

It would be safe to say that clean government is closely bound to civility, reform, the productive forces, the people's confidence, and China's future.

All communists and state cadres who are concerned about our country's future and destiny should have a clear head and be self-possessed, and should realize the grimness of our situation. To be officials, we must be honest and clean, exercise strict self-discipline, and abide by the law. We must be concerned about the affairs of state before others and wholeheartedly serve the people. We must be open, fair, and just in handling affairs. When there are difficulties, we must clarify them; when we commit errors, we must correct them. The people's great trust and history's heavy responsibility are on our shoulders and on our minds.

We must be sure to keep in mind that encouraging healthy trends, curbing unhealthy tendencies, pushing forward reform, and developing our country with one heart and one mind are the purpose of promoting clean government. We must be sure to remember that strict enforcement of orders and prohibitions and clean government for the people are the work style which we should display. The party Central Committee exhorts us to promote clean government by starting with the law, administration system, discipline, and education at the same time, and to strictly observe political, party, and legal discipline so as to guarantee the promotion of clean government.

Beware! Some people are still ignoring the enforcement of orders and prohibitions. In dealing with government policy, they work out countermeasures. They simply stick to their old way of doing things and turn a deaf ear to the storm blowing in whatever direction. To these officials we must raise a cry of warning: Comrades, turn back at once—off the cliff is a deep abyss!

Our society is calling for civility, and the masses are calling for clean government. Civility will reinforce the mansion of our society, and clean government will quicken the pace of reform!

Jurist on Disregarding Law, Poor Quality Cadres  
HK1004102689 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0916 GMT 5 Apr 89

[Report by Xu Shaoling (6079 1421 3781): "Well-Known Jurist Zhang Youyu Says the Crux of Disregarding Laws Lies in the Poor Quality of Cadres"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 5 April (ZHONGGUO TONGXUN SHE)—During an interview on the question of rule by law in China at present, noted jurist Zhang Youyu pointed out that the crux of the question lies in disregarding laws, and the root of disregarding laws lies in the very poor quality of cadres.

Zhang Youyu, who is over 90 years old, said that there was an old saying that "wry-mouth Buddhists distort good prayers." At present, China is not without laws, but the laws are disregarded. Who has disregarded laws? Of course, both leading cadres and ordinary cadres are responsible for this. If the systems are good and the laws are good but the cadres are no good, nothing can be accomplished because the cadres disregard laws. The problem at present is that the quality of cadres is too poor (including the level of education they have received, their ability, and their understanding of policies).

Zhang Youyu stressed the importance of improving the quality of party-member cadres. He said that if party members are not good, it will be difficult to set high demands on other cadres because they are the core of the cadres. It is imperative to have rigorous selection systems for appointing cadres, such as examinations and investigations. It is necessary to implement the system of personal responsibility and to carry out regular assessments of cadres. Those who have rendered meritorious services should be awarded, those who have made mistakes should be punished, and those who have made too many mistakes should be removed.

Zhang Youyu strongly criticized the practice of mixing up functions of the party and the government and of the party committee monopolizing everything. If whatever the party says goes, state organs will not be able to really exercise their power or to act according to laws.

As a senior jurist of the law circles in China, Zhang Youyu expressed his joy to see the development of the law circles in China in recent years. He said that at present there are over 18,000 lawyers in China. This is indeed a big increase as compared with the number in the past. However, if compared with some advanced countries such as the United States, the number of lawyers in China is not worth mentioning. Nevertheless, the status of lawyers is being changed and they begin to attract greater attention.

**Writers Interviewed on Signature Drive**  
*HK1104100089 Hong Kong PAI HSING in Chinese*  
*No 189, 1 Apr 89 pp 5-6*

[Article by Chang Chieh-feng (1728 3381 7685): "Angry Shouts Under Suppression: Signatories Condemn the Authorities' Move of Bringing Shame to Intellectuals"]

**[Text] The Stronger the Pressure, the More Powerful the Resistance**

The Chinese people's freedom to express their views was recently fully displayed by a group of intellectuals. To protest against the authorities' pressure on the signature drive for the release of political prisoners, 43 middle-aged and young people from the field of social sciences initiated another signature drive and sent a letter carrying signatures to the Second Session of the Seventh National People's Congress [NPC]. They said that the petition organized not long ago by some Chinese intellectuals for the release of Wei Jingsheng, and others, conformed to the Constitution and expressed public opinion. They urged the NPC to consider this demand.

Su Wei, initiator of the signature drive and director of the Institute for the Study of New Subjects under the Chinese Academy of Social Sciences said that the signature drive started on 13 March and ended on 14 March. On 15 March, the letter carrying signatures was sent out. He pointed out that the signature drives that had occurred time and again fully expressed the feelings of intellectuals. Those letters were written with a restrained attitude and contained mild ideas, but the authorities still resorted to suppressive means. As a result these people, who are content studying in peace, were forced to fight for a peaceful studying environment by nonpeaceful means. As he related, many people wished to sign, but the initiators thought that they would be satisfied if they could express their feeling of resistance. Therefore they ended the signature drive very quickly.

Because the third signature letter would be subject to authorities' pressure, the signatories had to take risks in signing the letter, Su Wei said. During the days for soliciting signatures, Su Wei took along his toothbrush and clothes when he went out on the streets, for fear that something might happen. However, he frankly admitted: "We have nothing to lose!"

Su Wei had made "mental preparations" beforehand. After the signature letter was sent out, he wrote a statement to be used when something happened. Nothing happened to him, but in late March the authorities resorted to a distortion of the facts. Being unable to remain silent any longer, Su Wei announced the statement to explain how the signature letter was initiated.

**Su Wei's 4-Point Statement Concerning the Third Signature Letter**

The signature letter (hereinafter called the third signature letter) initiated by 43 intellectuals from the field of social sciences was aimed at urging the authorities to release Wei Jingsheng, and others, on the occasion of the 40th anniversary of the founding of the PRC. I was responsible for collecting signatures.

Originally I was not interested in politics. I was on vacation in the south when the government press media filed reports on a "letter carrying 33 signatures." At that time I thought this was an insignificant occasional matter. When I returned to Beijing, I found that "Chen Jun and others" who were repudiated by the press included Bei Dao, Bing Xin, Wu Zuixiang, Zhang Dainian, Xiao Qian, Li Zehou, Shao Yanxiang, and Su Shaozhi, who are familiar to intellectual circles and enjoy popular respect. The contents of their letter (and the subsequent letter signed by 42 natural scientists) were quite reasonable, conformed to the Constitution, and expressed the people's wishes. I deeply feel that intellectuals' worry over and enthusiasm for the country have been treated with indifference and humiliation. The insincere "method adopted by the press" only aggravated the contradictions and was an irresponsible attitude toward history. As social science workers, my friends and I feel that we have the responsibility to express our attitude.

Freedom of academia and ideology is common in modern civilization. On this basis intellectuals have the right to express their own opinions on any problem in society. Opinions conforming with government views do not indicate "sincere love" for the country, and opinions not in line with government views do not mean "making rival claims as an equal." An open, civilized society should learn to accept all kinds of opinions and different methods of expression that accord with the Constitution. The current signature letter is only a normal attempt by a group of intellectuals who wish to express their opinions according to the rights granted by the Constitution. With regard to the "personal purpose" of those signatories, this is really something very "personal."

On the question of "imposing pressure through foreign press media": It should be pointed out that the signature letter was also sent to RENMIN RIBAO and GUANGMING RIBAO for publication. They should ask themselves this question: Why did those signatories "use" foreign press media to express their opinions that correspond to the Constitution? The "freedom of speech" stipulated by the Constitution includes freedom to "make remarks" and to "know." When will this freedom of speech be put into effect by the Chinese press? Moreover, remarks should be appraised according to the Constitution rather than according to the way they are expressed. In an open-information society, there are "true" and "false" news reports, but all legal press media have the right and duty to file all kinds of news reports, be they foreign or domestic. The only way to reduce

"pressure" is to make press reports open and fair. I demand that the government press media truthfully publish the three signature letters, including the names of signatories.

18 March 1989

#### Intimidation Methods Used During the Cultural Revolution Infuriated Dai Qing

Dai Qing, a famous reporter and writer, related to our reporter about her feelings during the period the three letters were initiated and signed:

"In China today, appeals for the release of political prisoners will come to naught. For a long time all decisions have been authoritative decisions, therefore appeals are useless and will only lead to the occurrence of an event. There were 33 signatures on the first letter. They did not look for me to sign. If they looked for me, maybe I would or would not sign. But in a word I would not initiate this drive."

"Before Su Wei looked for me to sign, I had already interviewed those 33 people. Although I knew their ideas were useless, as a reporter, I still felt the need to express what they thought about the action they were taking."

"But why did I express my willingness to be the first to sign when Su Wei came to me? Among the 43 signatories who constituted the third group, at least Su Wei, I, and Chen Kuide, chief editor of SIXIANGJIA [THINKER] magazine published in Shanghai, were so infuriated that we signed. During the first and second signature letters, the government press was fooling and deceiving the people. Intellectuals' legitimate and reasonable activities within the framework of the Constitution were forbidden by the government. We expressed our strongest indignation against this practice."

"Chen Kuide is chief editor of the newly established magazine SIXIANGJIA. On 14 March he came to Beijing with the first issue of the magazine. He wanted to invite a group of writers to a meeting but was interfered with on two occasions, and no meeting could be held. Chen Kuide was very angry and told Su Wei that he would like to sign."

"Why was there a need to sign? At that time there were all sorts of reports about some institutions, but these reports were made within a restricted area. I heard news about other units. For example, the Foreign-Language Institute obtained money from abroad; Beijing University had a complicated background; maybe a foreign intelligence agency gave instructions; the central party school said it would severely punish the chief criminal, and so on. But there were no documents and neither recording nor taking notes was allowed. It seemed there was latent intimidation. This trick has been used for several decades. Many free views and independent opinions have been suppressed by this method, which is still

in vogue up to now! It has been 10 years since reform and opening up were introduced, but in this open world this method is still used to intimidate people. This was something that should not have happened. With this extreme dissatisfaction, I signed the letter."

The Wei Jingsheng case mentioned by the letter does not involve Wei Jingsheng alone, but the world is under the impression that this case symbolizes a crime in speech and ideology, Su Wei pointed out. They were appealing for an amnesty and not for a reversal of the verdict passed on Wei Jingsheng. As a matter of fact, he said, it does not matter who is released. But dissatisfaction must be expressed against the authorities' intimidation toward intellectuals. If those signatories had some purpose, this was their "personal purpose."

#### Imposing Pressure on China by Means of Foreign Powers?

Dai Qing said it was not strange at all that the authorities resorted to suppressive measures against the signature drives, adding that since the campaign against spiritual pollution and bourgeois liberalization, economic opening up had been introduced along with ideological retrenchment. But in our civilized society today people can easily find many loopholes in the statements made by the authorities. As a reporter, Dai Qing said that the authorities' press offensive could not fool the people.

Dai Qing pointed out that it was improper to say "imposing pressure on the Chinese Government by relying on foreign powers." In the first place, what does "relying on" mean? China stipulates that interviews with government functionaries by foreign reporters must be arranged by the Ministry of Foreign Affairs. This is right because they speak on behalf of the government. But ordinary people are different. Take Dai Qing as an example. She is a writer and a reporter and she speaks on her own behalf; she does not represent GUANGMING RIBAO. She can air her views to any foreign reporter who is allowed to come to the mainland. This is even more so when what is expressed only involves one's personal judgments and not any classified information. Therefore there is no such thing as "relying on."

Wang Ruoshui, who was among the 33 signatories who constituted the first group, also said that foreign newspapers and magazines published the news about the signature drives for the release of political prisoners because they considered the news important. Chinese newspapers did not give coverage, how can you blame foreign newspapers for reporting the news?

Dai Qing asked: Did "foreign powers" impose pressure on China? They only reported that we made such a demand. This is a common practice in the press. Anyone's demand can be published by the press. How can this be taken as imposing pressure? If this is a kind of pressure, the authorities should first think whether they are willing to let intellectuals point out their weaknesses.

### The Assertion Concerning the "Complicated Background" Is Ambiguous

When democratic parties granted a joint interview to a group of reporters, they no longer talked about imposing pressure but mentioned a complicated background. Only Chen Jun has a complicated background, Dai Qing said. Originally Dai Qing did not know Chen Jun. She interviewed him after the event occurred. Of course one should not listen to Chen Jun only, but the authorities should explain in detail about the relevant problems. For example, once CANKAO XIAOXI [REFERENCE NEWS] reprinted a DAGONG BAO article on Chen Jun saying that he was speculating in foreign exchange in Shanghai. Due to foreign exchange control in China, there are three kinds of foreign exchange markets in the country, the first one is open, the second one is semi-open, and the third one is black. On the black foreign exchange market, many people engage in "speculation" or "illegal procurement." Chen Jun said he did not have renminbi and needed some to buy pictures, so he exchanged the U.S. dollars he had for renminbi. This was against the regulations, of course. But this is different from speculating in foreign exchange. Why did DAGONG BAO not explain in detail? Perhaps, Chen Jun told lies and really "engaged in illegal procurement of foreign exchange," but this must be explicitly explained so as not to mar others' personality. There was also an allegation saying that "Chen Jun had for long mixed with the 'Chinese Spring' group." This is also ambiguous. What does "mix with" mean? DAGONG BAO is responsible for explaining this. Otherwise it will stir up public opinion if CANKAO XIAOXI reprints it!

Gao Nie, who was among the 33 signatories, pointed out that she did not care who Chen Jun was. When she signed the letter, she did not know Chen Jun. But no matter who he was, everyone agreed with the contents of the letter, Gao Nie said. Suppose there were some bad people among the signatories, so what? Take Yunnan's earthquake as an example. Should we not allow a criminal to contribute money to that province because he was a criminal? Should others not contribute money to it because this criminal had made a donation? It was illogical for the authorities to negate the letter because of Chen Jun's signature. Furthermore, whether Chen Jun is guilty should be judged by the Judicial Department rather than by a "reporter's" report.

As for a DAGONG BAO report asserting that Chen Jun chose to be the last one to sign so as not to let others know about his participation, Dai Qing pointed out that this allegation was completely irresponsible. What proof did the one who filed the report have to suspect this?

A report entitled "before and after Chen Jun initiated the signature letter" said: "Signatures were being collected from scientific and technological circles for another letter to be sent to CPC leaders in mid-February. A promise was given to the signatories ensuring that this was only a suggestion letter forwarded to the central

authorities and not to be published." This report further said that subsequently newspapers in Taiwan and foreign countries began to publish the letter and many signatories expressed regret over what had been done by the initiators.

Xu Liangying, one of the initiators of the third letter, refuted this by saying this report was spreading "rumors." When signatures were being collected, he said, no one promised that this letter would not be publicized. Their principle was not to take the initiative in releasing information or holding a press conference, but if a reporter came, they would give information. This was not a secret action, why should it remain so highly confidential?

### They Will Not Remain Silent Any Longer if the Authorities Impose Pressure

During the two sessions of the National People's Congress and the Chinese People's Political Consultative Conference [CPPCC], the authorities initiated a series of little tricks in an attempt to split up the signatories and distort their image. Instead of bringing the signatories under submission or making them feel "regretful" over what they had done, it aroused stronger indignation among them.

Old writer Wu Zuguang asked with deep concern: "Who feels regretful? I do not." Wu Zuguang participated in signing the first letter that carried 33 signatures. He remained firm in front of the "evidence of crimes" provided by the authorities against Wei Jingsheng. He said: I signed for the sake of treasuring his youth. He is young but has political far-sightedness. I was not so farsighted when I was his age. Of course, a young man is apt to go to extremes and commit mistakes, but he has been in prison for 10 years!

How to handle the signature letters appealing for the release of political prisoners has become a test for the mainland authorities. As Su Wei said, he did not hope for trouble but for social stability. But if the authorities impose pressure, he added, he will not remain silent. Dai Qing also pointed out: If this matter is handled well, that means our society has made progress in civilization and this political power will bring much hope to the people.

Should the authorities not display some more wisdom and sensibility?

### Responsibilities of Democratic Parties Viewed HK104143089 Beijing ZHONGGUO XINWEN SHE in Chinese 0900 GMT 5 Apr 89

[ "Interview with Jing Shuping, vice chairman of the All-China Federation of Industry and Commerce" by Han Ruiseng (7281 3843 1496); "Democratic Parties Shoulder Heavy Responsibilities"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 5 Apr (ZHONGGUO XINWEN SHE)—Political participation and discussion of political affairs by democratic parties is a hot topic for discussion at the

Second Session of the Seventh Chinese People's Political Consultative Conference [CPPCC].<sup>1</sup> After the session, this reporter interviewed Mr Jing Shuping [4842 0647 1627], a noted economic activist and vice chairman of the All-China Federation of Industry and Commerce.

"In my opinion, in participating in politics and in discussing political affairs, the democratic parties should first aim to share the country's burdens, not its power." Jing Shuping made clear his personal views right from the very beginning.

Jing Shuping, 71, is one of the co-founders of the national bourgeois industry and commerce in China. Although he had attended forums without interruption for the past few days, he still looked energetic and was talkative.

He said: Over the past few days, CPPCC members have analyzed and discussed from various angles the work reports presented by several government leaders and have forcefully presented their views on various phenomena existing in the course of economic construction. It can be seen that all of us are concerned about the problems confronting the country and place hopes on the Communist Party.

"However," he switched to another subject, "the most important thing to do now is to raise more constructive suggestions and work out feasible methods."

"On the other hand, we should encourage people from different social strata or different parts of the country to frankly express their views. The more comprehensively and thoroughly they do so the better. Similarly, the democratic parties should do the same thing. Since the liberation, the All-China Federation of Industry and Commerce has always adhered to its 'patriotic and law-abiding tradition' because it wants to do something about the well-being of the country and the people. In solving difficult economic problems, the All-China Federation of Industry should, and can, have a role to play."

Mr Jing raised two suggestions.

As the country's central bank, the People's Bank of China should focus its attention on the management of fixed assets and circulating funds in performing its functions. Concerning the question of credit, it can, depending on the production setup and product mix, establish a series of investment companies and combine the country's credit policy with its production policy to form a continuum [yi tong dao di 0001 6639 0451 1646]. In the management of foreign exchange, it can apply the method of gradually expanding the scope of the regulation of the market [tiao ji shi chang 6148 0495 1579 1034] and should stop illegal trading and try to perfect the country's monetary system.

Second, it is necessary to establish futures markets. Commodity circulation, the flow of capital, and the use of foreign exchange should be kept within the scope of unified market management mechanisms. It can really learn from the practices of preliberation guilds. In the procurement and use of raw and processed materials, in the production and marketing of products, and regarding the flow of circulating funds, it can apply unified management and impose unified restrictions, in order to enable the enterprises to better constrain themselves.

Jing Shuping was once the most important cigarette producer in Shanghai and president of the Shanghai Federation of Guilds. His suggestions are based on rich practical experience and reflect the keen insights of an adept observer with excellent judgment.

Finally, this reporter asked him his views on political participation. Mr Jing heartily laughed and said: "In participating in politics and in discussion of political affairs, democratic parties shoulder more supervisory responsibilities than anything else and should, in cooperation with the Communist Party, make further efforts to perfect the system of political consultations. The Federation of Industry and Commerce has its limitations as far as the participation in politics and the discussion of political affairs are concerned. Some people of noble character and high prestige are simply too old to shoulder heavy responsibilities. On the other hand, the democratic parties are quite inexperienced in political affairs and they also have the problem of 'not having enough mature people to succeed the aging ones.' However, we should stress that the democratic parties face heavy responsibilities and should remain confident."

He revealed: The All-China Federation of Industry and Commerce is conducting studies and is going to recommend the right people for government leadership work.<sup>2</sup>

He said: "As for myself, I do not want to be an administrative officer. My reasons are the same as those I just mentioned." His remarks were followed by hearty laughter.

#### Trend Toward 'New Socialism' Viewed OW1104024589 Beijing GUANGMING RIBAO in Chinese 27 Mar 89 p 3

[Article by Su Dongbin (5685 2639 2430): "China Is Heading Toward 'New Socialism,'" from the "Scientific Socialism" Series, No 159]

[Text] After years of study and discussion, the famous theory of "the primary stage of socialism" has appeared in China. This theory has played, and will continue to play, a great political role in eliminating leftist mistakes. However, to my understanding, the essence of this theory does not consist in its "stage of development," but in its "new socialist" characteristics.

First, let us examine the nature of this theory. If we regard our past mistakes as the result of "pursuing our goal with undue haste" or "developing socialism at an unsuitably fast speed," then our task today is to apply the brakes and reverse course. This is apparently wrong. We believe that the problem with our traditional system was not because we "developed socialism at an unsuitably fast pace," or we "skipped the necessary stages," but because we "went astray" and "took a roundabout route." In this sense, the essence of the theory of the primary stage of socialism is a society of new socialism. The development toward this society was not envisioned by the founders of Marxism, nor was it the result of the practice of socialism in the last 70 years.

Second, let us examine the substance of this theory. If we regard the establishment of the socialist system as the upper limit of the primary stage of socialism, then what on earth is its lower limit? If we say China will become a medium-level developed country by the middle of the next century and this will be the lower limit of the primary stage of socialism, then we shall be guilty of mixing the economic system involving the relationship between man and man with something concerning the level of productive forces, and involving the relationship between man and material. While the level and criteria of the productive forces may explain the foundation and condition of the development of socialism, they can never constitute the substance and essential elements of socialism. If we admit that the primary stage of socialism refers only to the economic system, then can this stage be divided into laissez-faire and monopoly substages like capitalism? After all, we cannot say that the primary stage is one where different types of ownership coexist, whereas the higher stage is one where only one type of ownership exists. Neither can we say that the primary stage is one of multiparty cooperation, whereas the higher stage is one party dictatorship. Therefore, arguments in academic circles concerning the duration of the primary stage—whether it lasts 50 or 100 years—all lack clear definition of the nature of the stage.

Third, let us make comparisons. In terms of the basic framework of the economic system, there are no major distinctions between the Soviet Union, China, Korea, and Vietnam. This being the case, can we group them together and claim that they are all in the primary stage of socialism without exception? After all, we cannot go so far as to argue that what is being practiced in the Soviet Union, itself a "superpower," is "substandard" socialism characterized by "poverty." If the primary stage is reserved for countries which take the socialist road without passing the highly developed stage of capitalism, then the question is: Is there any country in the world where the socialist system appeared only after capitalism had developed to the fullest extent? Besides, there are all kinds of theories on the current stage of socialism, such as "developing socialism" (the Soviet Union), "the stage of transition" (Vietnam), and "the stage of building advanced socialism" (Czechoslovakia).

In short, I believe that, as there have been "Three New Principles of the People" and "New Democracy" in history, we should regard ourselves in the "New Socialist" stage. Otherwise, a slogan aiming at eliminating left deviation may also be used to promote the rise of "leftism." The "New Socialism" is presented here in contrast to the "Old Socialism" in the first 70 years of the Soviet Union and the first 40 years of the PRC.

By nature, the transition from old to new socialism means the switch from "state socialism," with the state as the center, to "citizen socialism," with the citizens as the center. It means, in essence, the change from complete monopoly of all economic activities by the state to a citizen-controlled free economy, in which only state security and public welfare, which are not commodities, will be controlled primarily by the state; from a decision-making process characteristic of "strongman politics" to one of relying on the rule of law and "strong government" in managing state affairs according to democratic procedures; from unity of thinking and principles dictated by the state to freedom of thinking by the citizens, with the desire to accomplish comprehensive modernization of the country at an early date as the coagulative force. Thus, the goal of socialist reform is to advance toward "new socialism," not to stay permanently in the "primary stage of socialism."

#### Realignment of Provincial Boundaries Urged

HK1104031789 Hong Kong SOUTH CHINA MORNING POST in English 11 Apr 89 p 10

[By David Chen]

[Text] The central authorities should re-draw the China map, realigning provincial boundaries and increasing the number of provinces, autonomous regions and municipalities from 30 to about 50, a noted historian says.

The idea has won much praise from academic circles who believe it is not only feasible but necessary if the current economic and political reforms are to succeed.

China is today composed of three municipalities directly under the State Council (Beijing, Shanghai and Tianjin), five autonomous regions (Inner Mongolia, Ningxia, Xinjiang, Guangxi and Tibet) and 22 provinces. These 30 areas are further divided into prefectures, counties and cities, with many of the provinces having autonomous areas as well.

In addition, because of the open policy and reforms, many cities have grown both in economic and administrative terms and enjoy provincial status in substance if not in name.

This has created serious difficulties for central Government directives to be effectively implemented at lower levels.

The proposal for more but smaller provinces has been put forward by a history and geography professor, Mr Zhou Zhen from the Fudan University of Shanghai.

The present administrative arrangement, he says, is too complex.

This outdated system, handed down for more than 1,000 years is incompatible with the current trend where administrative efficiency is one of the primary ingredients in the smooth execution of reform policies.

Professor Zhou said it was time for the system to be reformed.

Conditions for dividing some of the larger provinces into smaller ones exist in many parts of the country, Professor Zhou suggests, because many provinces have already developed two or three political and economic centres.

In Fujian, for example, both the provincial capital of Fuzhou and the economic centre of Xiamen have evolved into two major centres. Similarly, such centres exist in Sichuan (Chengdu and Chongqing), Zhejiang (Hangzhou and Ningbo), Shandong (Jinan and Qingdao) and Liaoning (Shenyang and Dalian).

The present anomaly is reflected in several arguments between provinces over the use of land and sharing of resources.

Tungting Lake, the largest lake in the country, straddles the border between Hubei and Hunan, and Taihu, the second largest, straddles the border between Jiangsu and Zhejiang. Numerous disputes have arisen over the common administration of these two areas.

For several decades, there have been numerous calls to re-draw provincial maps.

When the People's Republic was established, nine north-east provinces which the Kuomintang regime had established, were changed back into three.

In the past few years, the importance of special economic regions has emerged as a strong motivating force for the reforms. These regions gradually acquire administrative measures independent of the provincial governments which nominally supervise their local governments.

Last year, Hainan Island broke away from Guangdong to become a separate province, the first local government to acquire, officially both in name and in fact, the status of a provincial administration.

Observers said there was sound argument in Professor Zhou's proposal.

But, given the various interests of the many local regions, it remains difficult for the central Government in Beijing to seriously consider the proposition.

**Procuratorates To Support Self-Defense Rights**  
*HK1104082889 Beijing RENMIN RIBAO in Chinese*  
*3 Apr 89 p 1*

[XINHUA report: "Responsible Person of Supreme People's Procuratorate Requires Procuratorates at Various Levels to Support Citizens and Public Security Cadres and Policemen in Exercising Their Justifiable Self-Defense Rights"]

[Text] Beijing, 2 Apr (XINHUA)—Today, Zhang Siqing, deputy procurator general of the Supreme People's Procuratorate, said when being interviewed by a reporter that procuratorates at various levels should support citizens and public security cadres and policemen in exercising their justifiable self-defense rights and protect their enthusiasm for fighting against criminal activities. Zhang Siqing said this in view of the stern situation in the current maintenance of law and order.

He said: According to our criminal law, people do not need to bear any legal responsibility for taking justifiable self-defense action in order to protect public interest and protect their own or other people's personal safety and other rights from illegal violation and infringement. However, some criminal offenders and their relatives complained about the decision of not taking any legal action against those who took justifiable self-defensive actions, and bore resentment against those who fought bravely against the evildoers and took justifiable self-defensive action. To give vent to their resentment, some of them even kicked up a row in some local procuratorate offices. The improper handling of such incidents in some localities damped the enthusiasm of citizens and public security personnel for fighting against criminals and to a certain extent, whetted the arrogance of the criminal offenders.

Zhang Siqing said: Justifiable defense is the right of the citizens and is also the duty of the citizens. He said that the procuratorates at various levels have always paid attention to this issue in recent years. When the state property and one's own life and property or other people's lives and property are seriously threatened by criminal offenders, one should carry out legitimate self-defense according to the law. When public security personnel, performing their duty, are seriously threatened by criminal offenders, they have the right to injure or kill the offenders, and the procuratorates will resolutely protect them in exercising this right.

It was learned that last year procuratorates at various levels handled more than 40 cases related to justifiable defense, and they decided not to arrest and prosecute those who carry out justifiable defense. This won favorable comment among the masses.

## TA KUNG PAO Profiles Li Peng's Father

### Part One

HK3103141089 Hong Kong TA KUNG PAO in Chinese  
30 Mar 89 p 14

[“I Hope That My Son Will Be Properly Brought Up—About Li Peng’s Father Working in Hong Kong (Part One)"]

[Text] In September 1931, Dr Ke Lin of the Nanhua Dispensary of Kowloon and his wife Chen Zhiying received a strange letter. It read as follows:

Tao:

In Qiong [Hainan—FBIS], I have frankly admitted what I have done. It is feared that I shall soon be executed. I shall leave you forever before long. On the frontline and in the rear, a number of people have died every day. I may as well have been one of them. If I should die, do not show too much grief. My only hope is that my son can be properly brought up. You had better try to send him home. It is important that you should also strive to be independent. After my death, there will be someone to bury my corpse. You are absolutely not allowed to come over. Please never forget this.

Xun  
3 September

This was a letter written by Li Sixun before his death, then secretary of the Military Committee of the Guangdong Provincial CPC Committee, to his wife Zhao Juntao. He had been arrested by the enemy in Haikou City, Hainan Island. To enable the letter to reach his relatives safely and guarantee the safety of the party organization and his comrades, Li Sixun sent the letter through the prison guard to the family of Lin Zenghua of the Lingnan Middle School of Kowloon, Hong Kong. It was then transferred by Lin's family to Dr Ke Lin. “My son” mentioned in the line in that letter, “My son can be properly brought up,” was none other than the incumbent Premier of the State Council Li Peng. At that time, he was only 3 years old.

Li Sixun was a native of Sichuan. He joined the Chinese Communist Party in 1924. He had long led the student movement. In the Nanchang Uprising, he was the party representative of the 25th Division, the mainstay in the uprising. In heading southward, he fought bravely and helped Zhu De defend Sanheba. After suffering a setback, he switched over to fighting south of the Chang Jiang. Later, he was made the acting secretary of the Zhejiang provincial party committee and secretary of the Military Committee of the Jiangsu provincial party committee and of the Jiangnan [as published] provincial party committee.

In 1931, the situation in South China was critical. In accordance with party instructions, Li Sixun went aboard a boat in Shanghai on May 20 at 7:30 p.m.,

prepared to reach Hong Kong. On the same evening, Yang Hansheng and Zhao Juntao, together with his son Li Peng of less than 3 years, went to send off Li Sixun. Early the next morning, the boat he took started sailed. On 24 May at 7 a.m., the boat safely arrived at Hong Kong. On the afternoon of the next day, he went to the Nanhua Dispensary to look for underground party member Dr Ke Lin. He told Ke Lin that acting on the instructions of the Central Military Commission, he had come to Hong Kong. He was prepared to go in transit to the Guangdong-Jiangxi border area to hurriedly join the Red 7th Army on an expedition from Guangxi. He was to act as the political commissar of that army. At this time, the Guangdong provincial party committee organization had been damaged many times by reactionaries. Many people were arrested. There was need for a large numbers of cadres. For this reason, the Guangdong provincial party committee specially called on the central authorities to keep Li Sixun working in Guangdong. At the end of May, Li Sixun wrote a letter to the central authorities: “I think the letter has reached you. As to whether I am to leave or stay, please cable a reply immediately. I will act accordingly.” Because Guangdong was in urgent need of cadres, the party Central Committee and the Central Military Commission appointed Li Sixun as secretary of the Military Committee of the Guangdong provincial party committee. He was allowed to stay and work in Hong Kong.

At that time, Li Sixun alone took up underground work in Hong Kong. This was liable to arouse enemy suspicion. The organization therefore decided to send Zhao Juntao, who had been assigned to the Central Women's Committee, to Hong Kong. The two pretended to be husband and wife to cover up their underground work. Zhao Juntao was the younger sister of martyr Zhao Shiyan. Li Sixun had become acquainted with her when they were both at a Shanghai college. Given a common goal, they got married in August 1926.

Not long after, the Guangdong provincial party committee decided to send Li Sixun to Hainan Island to arrange for guerrilla warfare. He was to preside over a military conference of the responsible persons of the Qiongyan guerrilla force and to guide Hainan in enlarging the armed struggle. Then, Li summoned cadres of the Military Committee for a meeting in Hong Kong. He made arrangements for military struggles in Dongjiang, north Guangdong, and other areas. Later, he again went to say goodbye to Dr Ke Lin. Dr Ke sincerely told him: You do not understand the language of Hainan. It is very dangerous for you to engage in secret work in a strange place. After hearing this, Sixun was not moved. He calmly stepped into the new post in battle.

### Part Two

HK0504085389 Hong Kong TA KUNG PAO in Chinese  
2 Apr 89 p 5

[“I Hope My Son Will Be Brought Up Properly”—About Li Peng’s Father Working in Hong Kong (Part Two)—reprinted from GEMING YINGLIE [REVOLUTIONARY HEROIC MARTYRS"]]

[Text] In the first part of August, Li Sixun took a boat from Hong Kong to Qiongzhou [Hainan Island]. Zhao Juntao showed up at the pier to send him off. At that time, Zhao

Juntao had become pregnant, but she did not tell her husband about it. Therefore, Li Sixun only knew that he had his son Li Peng. He knew nothing about a new unborn daughter, Li Qiong. (She was born on 17 March 1932 after Li Sixun sacrificed his life). Zhao Juntao repeatedly urged him to take good care of himself on the way. She also expressed the hope that after his participation in the Qiongya Military Conference, he would return quickly to Hong Kong. As the boat set sail she kept waving goodbye, her eyes brimming over with tears.

After Li Sixun arrived at Haikou, the capital of Hainan Island, and stayed at the Zhongmin Hotel, Deshengsha Road. As he tried to contact the person responsible for military affairs of the Qiongya party organization at the address provided, he very quickly found himself betrayed by traitors. This was because he was a native of Sichuan not knowing the dialect of Hainan and having no social relations to protect him. On 13 August, a secret agent sent by the reactionary militarist Chen Ce of Guangdong in the dead of the night placed Li Sixun under arrest.

In the Haikou prison, Li Sixun was ruthlessly tortured. He bled profusely and was seriously wounded. His legs were broken. But he displayed an iron will, firm and unyielding. He refused to divulge any secrets about the party. On knowing that the traitors had betrayed him, he angrily mouthed a line: "I, Li Tao, am a Communist Party member!" Other than this, the enemy could extract nothing from him. In order not to involve his friends and relatives in his hometown of Qingfu County, Sichuan, he pretended in the prison to be a native of Yibin, Sichuan. He also had his name changed to Li Shixun. The enemy could only say helplessly: Li Sixun "still dares to spread reactionary stuff after being arrested." They could do nothing but send him to the prison of the Qiongshan County Government for further interrogation. An urgent cable was sent to militarist Chen Jitang to seek instructions on the matter.

At this time, the enemy tried almost every day to make him surrender with the use of both threats and promises. But Li Sixun showed unwavering loyalty to the party. He knew he would soon sacrifice himself to the noble cause. He therefore wrote two letters in early September for those surviving him. One was to his wife Zhao Juntao. Another was to Dr Ke's wife Chen Zhiying. In his letter to Chen Zhiying, Sixun wrote:

Sister Ying:

I may actually be a stranger to you. But I know that you and my wife are friends. So I have specially written this letter. Please hand it to her. There is no need to grieve over my death. I do hope that you can comfort her! I also hope that you can have some people help her return to her hometown! I want her to ask Fat Brother (Zhang Hanfu) for a few hundred yuan for traveling expenses. The important thing is that proper arrangements should be made for my son.

Xun

After reading these two letters, Dr Ke and his wife Chen Zhiying were deeply moved by Li Sixun's lofty sentiment. Before his death, he should have once again made a request to Dr Ke and his wife saying that "that proper arrangements should be made for my son (Li Peng)." He had pinned all his hopes on revolutionary successors. For fear that Li Sixun's wife Juntao may be stricken with grief, Dr Ke did not let her know the matter immediately. Only after being questioned repeatedly did Dr Ke hand over the letter to Juntao. At the sight of the letter left behind by her husband, she was overcome with grief, breaking down and crying. Then she wrote a relevant report to the party Central Committee. She also told the matter to Zhang Hanfu. Not long after, the party Central Committee instructed that an effort be quickly made to save Comrade Li Sixun. But the headquarters of the 1st Group of the Kuomintang had already cabled an order authorizing permission to execute Li Sixun in Hainan on the spot.

On 5 September, 1931, Li Sixun was escorted to the Dongjiao Execution Ground of Haikou City. His legs had been wickedly broken by the enemy. He could not walk. The enemy hauled him in a bamboo basket to the execution ground. Li Sixun faced death bravely. He was then only 28 years old.

Not long after, the Shanghai Mutual Aid Committee sent a remittance of 500 yuan to Zhao Juntao as traveling expenses. Dr Ke also bought passage for Zhao Juntao. Bringing along Li Peng, Zhao Juntao again returned to Shanghai. Zhao Juntao went through every hardship to bring up Li Peng. In 1939, when Zhou Enlai found that Li Peng was staying at a relative's home in Sichuan, he told Deng Yingchao to send him to Chongqing. Later, Li Peng was again sent to Yanan to receive revolutionary education. In 1948, Li Peng pursued further studies in the Soviet Union. In 1955, he returned to the country from the Soviet Union after completing his education. After further training and self-improvement, he made it into a leadership position. Now he has become a top party-state leader.

**College for Public Servants To Open in Beijing**  
*OW1104101189 Beijing XINHUA in English*  
*0845 GMT 11 Apr 89*

[Text] Beijing, April 11 (XINHUA)—The State Administrative College, the only institution for training public servants for the Chinese Government, will open in Beijing this autumn.

Officials of the Personnel Ministry said the college, which is under the control of the State Council, is a major step toward introducing the public-service system in the country and will help current political reform.

Huang Daqiang, a member of the preparatory committee for the college, said the purpose of building such a college in Beijing was to strengthen present administrative management and improve government decision-making.

By October this year, 200 government ministers, governors and bureau chiefs at provincial levels will [words indistinct] at the college to take advanced courses in administration and personnel management.

Officials of the Personnel Ministry said any government official wanting promotion will have to be [words indistinct] at the college and hold the requisite qualifications.

China prepared to introduce the public-service system two years ago when Communist Party leader Zhao Ziyang suggested the idea in his report at the 13th party congress.

**Study Examines Postgraduate Dropout Rate**  
*OW1104101089 Beijing XINHUA in English*  
*0808 GMT 11 Apr 89*

[Text] Shanghai, April 11 (XINHUA)—To become a postgraduate student was once a long-cherished dream for many young Chinese. But today increasing numbers of Chinese working towards postgraduate degrees are quitting graduate school.

An investigation made recently at ten out of 80 research institutes in Shanghai found that it is now commonplace for postgraduates to join the growing ranks of school dropouts from all levels of the country's educational system.

The survey revealed that 60 students from these institutes had already left school and most of them said that they wanted to go into business or abroad as soon as possible.

At present, 90 percent of the 60 students have already left the country or are busy preparing to do so.

Even newly accepted postgraduate students, who would once have looked at acceptance to an advanced degree program as a dream come true, now seem equally eager to leave school.

The investigators found that many postgraduates are trying to get in touch with the foreign schools by application letters, mainly in hope of obtaining a foreign study subsidy that will allow them to go abroad.

Today a student working towards a master's degree gets a state subsidy of 61 yuan (about 15 U.S. dollars) and a total income of 110 yuan (about 28 U.S. dollars) a month. Someone studying for a doctor's degree gets a subsidy of 80 yuan (about 20 U.S. dollars) and a salary of 120 yuan (about 30 U.S. dollars) a month. But a graduate

who quits school after getting only his basic university degree can earn as much as 130 yuan a month—or more if he can wangle his way into the right job.

"We would rather study for a doctorate abroad than complete our studies at home," the students who want to leave Chinese schools allege.

According to the rules of some Chinese work units, college graduates can't get promoted until they have worked there for three to five years, regardless of their academic qualifications.

But in China, a person's salary is based mainly on the post he holds. "What is the use of going for further education if it won't get you any more money right off the bat," the students complain.

The difficulty of finding jobs they consider "suitable" presents another problem for the Chinese postgraduates, who many observers feel are increasingly coming to regard themselves as an intellectual elite.

The present reality is that grassroots enterprises demand more of postgraduates than the students are prepared to give, thus the students find the jobs unsuitable to their taste, the survey said.

**Experts Seek Ways To Check Rural Population**  
*OW1004143989 Beijing XINHUA in English*  
*1222 GMT 10 Apr 89*

[Text] Beijing, April 10 (XINHUA)—Although the Chinese Government for eight years has been calling on young married couples to have only one baby, country women have mostly defied the family-planning policy.

With the population of China reaching 1.1 billion this week, experts have come to realize more clearly than ever that the key to solving the country's population problem lies in the checking of the population explosion in rural China.

How to get rural couples to voluntarily accept the principle of "one baby per couple" and more satisfactorily combine the interests of farmers and the state has become a new topic for experts to study.

Wei Jinsheng, associate professor of the Beijing Economic College, says the only way to check the rural population explosion is to persuade farmers with material gains and let every rural family have fewer babies of their own free will.

He suggests that society, through various means, lower the social and economic value of every child of the family and treat youngsters of different attainments differently in employment and income. Thus, society would, for example, provide fewer opportunities for any child whom a farmer could not afford to educate properly.

Wei says the consumption level of rural people is still very low and it costs a country family some 120 yuan a year to feed a child to the age of 18. "It is so cheap that every family can afford to feed several children in their life time."

Professor Liu Zheng, of the People's University, and Cai Wenmei, of Beijing University, sees the only solution to the population problem in the countryside is to prohibit any rural couples from having a third baby and to prohibit rural men and women from marrying and having children at too young an age.

They say that third babies of rural families represent nearly 20 percent of the total babies born in China each year. If rural couples do not have third babies, some four million fewer babies will be born each year.

Zhou Xiaozheng, a sociologist of the People's University, says the hard nut to crack of the rural population explosion is farmers' preference for boys if they are allowed only one child.

Zhou, who has surveyed farmers in 12 counties across the country, concludes that farmers do not like only boys, as many presume. Instead, he says, farmers like both boys and girls, provided that they are allowed to have more than one child.

The sociologist suggests the use of modern medical technology to determine the gender of unborn babies. If each rural wife gives birth to only one boy and one girl, then the total population of China will not surpass 1.25 billion by the year 2000.

Population experts admit that the family-planning policy that advises every wife to give birth to only one baby has achieved great success in the past few years and is conducive to China's economic development.

But they also point out that the drastic rate of population decrease in the past 20 years or so will lead to too many old people above the age of 65 in the next century. This will be a heavy burden on the Chinese countryside, which will not be sufficiently developed in 30 or 40 years to support them.

#### Unlawful Rural Marriages on Rise

OW0804231989 Beijing XINHUA in English  
1543 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—Thirty percent of marriages in China each year take place outside the law, an official of the Ministry of Civil Affairs said today.

Addressing a news briefing, the director of the Marriage Administration Department of the Ministry of Civil Affairs, Wang Deyi, said: "The marriage law is the worst in practice in China."

According to a sample survey by the State Family-Planning commission last year, 2.5 million couples marry before reaching the lawful wedding age and give birth to children.

Wang said unlawful marriages occur mainly in rural areas. The chief reason is that the parties concerned are ignorant of the law. They tend to think that the traditional wedding ceremony is more important.

Some of the women concerned get pregnant before marriage and are afraid of being laughed at at the marriage registration office. So the couples live together without legal sanction.

Wang said some places and units insist that young people get married after the lawful wedding age. So many people just ignore the law and hold wedding ceremonies.

Besides, she said, the law is far from perfect. It emphasizes the registration process, but has no penalty provisions to deal with those who break it.

Unlawful marriage brings the law into disrepute and also affects the implementation of the family-planning policies.

However, she said, lawful marriage still predominates. In 1988, 9.46 million couples applied for registration and 8.99 million couples received approval.

In 1988, 1.05 million couples applied for divorce, and 650,000 divorces were granted. But China's families are still stable, Wang said.

#### Military

#### 'Short-Term Behavior' Harms Basic Construction

HK3003083889 Beijing JIEFANGJUN BAO  
in Chinese 23 Mar 89 p 3

[Article by Han Keli (7281 0344 4409) and Xue Yubo (5641 3768 3134): "Overcoming 'Short-Term' Behavior in Basic-Level Construction"]

[Text] "Short-term behavior" generally refers to the fact that in their production and business management, certain commodity producers only pay attention to their immediate interests without considering long-term planning. Similar behavior has also existed in the basic-level construction of our Army. For example, some basic-level cadres lack long-term planning and careful consideration for the construction of their own units. They are content with being able to "maintain what they have achieved, and to avoid trouble." In their ideological and political work, some basic-level cadres have failed to follow a down-to-earth way of training and educating cadres and soldiers with emphasis on training new people on the "four haves." They are eager for quick success and instant benefit, and seek only immediate interests. They are fond of the activities of pushing themselves, of being

reported by newspapers, of making themselves known to the higher authorities, and of attaining prestige. In their production and management, some basic-level cadres are engaged in gluttony and extravagance. They even encourage the practice of "distributing and eating up everything" without considering the long-term construction of their companies. Such a practice of seeking only instant benefits has corrupted the fine tradition of the party, and seriously affected the overall construction at the basic level.

It is true that various kinds of "short-term behavior" in basic-level construction should be attributed to the wrong guidance thinking of certain responsible officers, to their comparatively poor quality, and their lack of ideological preparations for striking root in the basic-level units for a long time. But this is also closely connected with the errors in our leadership work, and various defects in our institutions and systems as well. For example, with regard to the examination of the basic-level work, a number of our leading organs very often only carry out casual or rush examination and appraisal. Less efforts are made to systematically examine the basic and all-around construction of companies. In the meantime, due to the fact that examination and appraisal are carried out too frequently, basic-level units can only take a perfunctory attitude toward them. Don't you think that this will encourage short-term behavior in basic-level units of being eager for quick success and instant benefit, and a perfunctory attitude? With regard to our cadre management system, the problem of making no distinction between those who have done well and those who have done poorly has not been truly solved. With regard to promotion, appointment, determining military ranks, and advancement of cadres, and so on, the system of letting the best win and getting rid of the worst has not played its role. With regard to the work of transferring cadres to civilian work and making arrangements for demobilized soldiers, we still lack explicit laws and regulations to follow. The work is not linked with the ability and political integrity shown by relevant cadres in the Army. This has affected basic-level cadres' determination to work contentedly in the basic-level units, and dampened their enthusiasm in doing basic work for a long time.

Obviously, to solve the problem of "short-term behavior" in basic-level construction, apart from strengthening ideological education for cadres with the aim of improving their quality, we should also do well in reforming and perfecting our systems and institutions. Here, we would like to talk briefly about the following two issues.

1. We should improve and perfect the system governing the management of basic-level cadres and the arrangements of cadres who are transferred to civilian work. Political integrity, working ability, enthusiasm and the achievements made by relevant cadres in the Army should be linked with their promotion, appointment and arrangements after they are transferred to civilian work.

This will play a positive role in reassuring basic-level cadres, freeing themselves from future trouble, and arousing their enthusiasm in striking root in the basic-level units.

2. We should make efforts to change our style of leadership, and improve the method for examining the work in the basic-level units. In accordance with the requirements of the programs for basic-level construction, we should strictly restrict individual examination and various kinds of rush or casual investigations or appraisals. Emphasis must be placed on comprehensive examination. The criteria for examination must also be scientific and comprehensive. They must be able to reflect the overall quality and basic conditions of the basic-level units. While paying attention to the present work, we must also consider long-term trends of development. Whether one is a hero is not determined by a single act or a short period of his life. In so doing, we will be able to avoid "short-term behavior" in terms of the examination system.

**Shandong Commander Interviewed on Education**  
*OW0904212489 Beijing Domestic Service in Mandarin  
2300 GMT 2 Apr 89*

[From the "Special Program on the Second Session of the Seventh NPC and the Second Session of the Seventh National CPPCC Committee"]

[Text] Station reporter (Wang Shude) has interviewed Yan Zhuo, commander of the Shandong Provincial Military District, on strengthening national defense education. The following is a recording of their talk:

[Reporter] Commander Yan, Premier Li Peng mentioned in his report that it is necessary to regularly conduct national defense education and constantly enhance defense consciousness of the whole people. Please talk about your understanding of this point.

[Yan] All right. In his government work report, Premier Li Peng presented an explicit requirement that national defense education be strengthened, saying that it is necessary to regularly conduct national defense education throughout the nation, to incorporate it into the national educational system as a whole, and constantly enhance defense consciousness of the whole people. These remarks are terse but carry profound significance. The requirements are very specific, showing that the state attaches importance to national defense education. I feel that the question of national defense education has aroused universal concern of the society since the 13th CPC National Congress and the First Session of the Seventh National People's Congress [NPC].

The various localities have actively explored this question from all aspects and have done a lot of work accordingly. In Shandong, we have established a five-in-one leadership system incorporating the propaganda, civil affairs, educational, and People's Armed Forces

departments, as well as the Army to conduct national defense education from all fields. Marked achievements have been made in defense education within a short period. To strengthen defense education, I think the most pressing issue now is to formulate explicit laws and decrees as soon as possible to facilitate the defense education.

[Reporter] Some people say that the idea of defense is universally vague at present. What is your opinion about this?

[Yan] I agree. In recent years, some cadres and masses do have inadequate understanding of the role of national defense construction in peacetime. Some people look upon economic construction as opposed to defense construction, and fail to realize the important role played by defense construction in safeguarding national stability. This has even led to frequent reports of vilifying, insulting, and assaulting servicemen. Military facilities and barracks have been sabotaged or occupied. To solve these problems, we should act in accordance with the report, regularly conduct defense education, and constantly enhance the defense consciousness of the whole people. This will help to arouse the patriotism of people of all nationalities throughout the nation and rekindle nationalist spirit. When citizens have patriotic spirit and a high sense of defense, they will consciously show concern for defense construction, support army-building, and safeguard the image, rights, and interests of the Army.

[Reporter] Some deputies mentioned the question of defense legislation. What is your view on this question?

[Yan] To promote a thorough development of defense education, at present we should regularly conduct defense education and incorporate it into the national educational system. However, this cannot be accomplished by solely relying on administrative means. Legislative measures should be taken to set unified norms and requirements, so that the defense education throughout the country can be conducted regularly under a wholesome and legal environment.

**New Military Staff College To Open**  
*OW1004115389 Beijing XINHUA in English*  
*1103 GMT 10 Apr 89*

[Text] Beijing, April 10 (XINHUA)—China's Joint National Defence Educational Training Center will enroll its first 3,000 students on June 15, according to today's "LIBERATION ARMY DAILY."

The training center (the rough equivalent of a Western military staff college) was established here by the Beijing Higher Educational Research Institute and the August 1st Educational Correspondence Institute of the Chinese People's Liberation Army on March 20, the newspaper said.

The purpose of the training center is to produce more teachers of military theory both in the People's Liberation Army and outside it, the newspaper said.

Courses will include foreign military research, Chinese military ideology and history, an introduction to modern military science and technology, and an analysis of the characteristics of modern wars, the paper said.

The center also will hold 10 special lectures on tactical and strategic subjects including "Star Wars," modern strategy and national defence for students, the newspaper added.

**First Large Helicopter Successfully Tested**  
*OW1004115089 Beijing XINHUA in English*  
*1050 GMT 10 Apr 89*

[Text] Beijing, April 10 (XINHUA)—Chinese scientists have successfully developed the country's first large helicopter, today's "LIBERATION ARMY DAILY" reported.

The "Zhi-8" helicopter, which passed a state technical appraisal on April 8, weighs 13 tons and can carry three tons of goods or 27 passengers at one time. It is also able to hoist five tons of goods.

The newly developed helicopter can be used in erecting high-voltage electric cables, performing sea operations, putting out forest fires and conducting geological prospecting and surveys.

The new model was developed jointly by the China Helicopter Design and Research Institute and the Changhe Aircraft Factory, according to the paper.

**Chinese-Made Helicopters Increase**  
*HK1004153089 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 0430 GMT 5 Apr 89*

[Report by reporter Zhu Daqiang (2612 1129 1730): "China's Copter Industry Forms a System of Self-Design and Production"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 5 Apr [ZHONGGUO XINWEN SHE]—China's helicopter industry, which has been established since the end of the fifties, has provided several hundred helicopters for use in national defense and economic development. The industry possesses the ability to design and manufacture various models of helicopters by itself.

In the early sixties, China developed its own Zhi-5 by improving the Soviet-made MiG-4 helicopter, and realized the aim of producing all its helicopters. The highest annual production amounted to 100 helicopters. In the past 2 decades, Zhi-5 has been used as the main helicopter model in China.

Since then, China established an institute for designing helicopters, which has successively developed the Zhi-6 and Zhi-7 models. However, these models could not be put into operation. In the late seventies, China developed the Zhi-8 giant helicopter which has a take-off weight of 13,000 kg. The helicopter had its first flight in 1985 and passed through examination last year. It is now being produced in small amounts.

Since the beginning of the eighties, China has obtained the patent for producing the French 365N "Dauphin" helicopter, and with the introduction of this technology, over 30 Zhi-9 helicopters have been produced. China has also bought foreign helicopters such as the Bell model 212.S-76 helicopter and the "Black Hawk" helicopter from the United States, and the "Llama," "Gazelle," "Super Puma" and other helicopters from France.

At present, China is widely using helicopters in physical prospecting, maritime and continental oil exploitation, establishment and protection of transmission lines, dealing with emergencies and disasters, sowing seeds and afforestation, producing films and television programs, eliminating diseases and insect pests, sightseeing, and so on.

China's Air Force is equipped with helicopters, and the Army and Navy are also starting to look into the possibility of being equipped with helicopters.

### Economic & Agricultural

#### Commission Outlines Economic Reform Plans

OW1004165089 Beijing XINHUA in English  
1515 GMT 10 Apr 89

[Text] Beijing, April 10 (XINHUA)—This year's economic reforms will focus on improving various measures which have already been taken, and include revamping of the country's managerial responsibility system, according to the State Commission for Restructuring the Economy.

The commission announced that experiments will be actively and steadily conducted to deepen the reforms in conjunction with the country's current drive to improve its uncertain economic environment.

The principles guiding this year's economic restructuring are defined by the commission in its "Outline of Economic Reform for 1989," which was recently approved by the State Council, China's highest governing body.

According to the outline, every measure of the reform should be conducive to curbing investment and consumption demands, cooling down an over-heated economy and controlling inflation.

The document also stresses that reform measures must also be beneficial to the readjustment of industrial structures, raising economic efficiency, increasing supply, and accelerating the establishment of what it calls "a socialist commodity economy."

The top priority in restructuring the economy this year is the deepening of enterprise reform and improvement of economic efficiency, the document says.

In addition, the contract managerial responsibility system of enterprises will be improved, as will regulation and control of the national economy as a whole, the document said.

And investment growth rates and consumption will be re-evaluated in accordance with the country's financial and material resources to ensure the balanced development of the various economic sectors.

To straighten out the tangled marketing situation, further efforts will be made to screen companies, and new regulations governing the control and management of companies will be formulated, the outline says.

#### Li Yining Calls for Appropriate Austerity

HK1104063989 Beijing ZHONGGUO XINWEN SHE in Chinese 1429 GMT 4 Apr 89

[Report by Wang Xiaohui (3769 2556 2547): "Li Yining Appeals to Chinese Government for Appropriate Austerity"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 4 Apr (ZHONGGUO XINWEN SHE)—China's famous economist Li Yining reminded officials at a time when austerity is on the rise that, although austerity is necessary, it must be moderate, and that excessive austerity might bring about stagnation in the economy.

When stating the above opinion, Mr Li has the following rationale:

- Under the condition of austerity, enterprises will generally experience a shortage of floating capital and difficulty in procuring raw materials; they will be in arrears with payments, and this will adversely affect the enterprises with good returns, making them unable to bring into full play their superior power, and hence affecting total supply.
- Enterprises with difficulty in capital will experience decreased returns, and this will affect financial incomes. The state will have to increase subsidies for some of the enterprises. At present, if revenue cannot be collected according to plan, then more banknotes must be issued, and this will offset the function of the austerity policy to check inflation.
- In the present situation of surplus labor forces, excessive austerity will have an impact on the serious social problem of employment opportunity. It means not only idle resources but also social disorder.

—Excessive austerity might affect the reputation of banks, if banks cannot make payments according to schedules, and a vicious circle will be formed. The enterprises will no longer trust the banks or make deals through them, and the banks will have a shrinking source of capital. Finally the banks will be forced to issue more banknotes, and this will again offset the predetermined purpose of the austerity policy to check inflation.

Li Yining has reached a conclusion. There should be flexibility within the rigid measures, and loose measures matching the tight ones. Those that should be loose must be loose, while those that should be tight must be tight. There should be no across-the-board cut. He said it should be clear that both loose and rigid measures are means, not ends. The end is the stable economy.

Then, is excessive austerity suitable to the goal, or is a mix of loose methods with rigid ones more suitable? Li Yining favors the latter. He thinks that, at present, to slightly relax the restriction on loans, especially on floating capital, is beneficial to stabilizing the economy. If it remains rigid, it will cause unfavorable factors for the economy in the second half of the year.

#### **Enterprise Self-Restraint Measures Strengthened**

OW1104012489 Beijing Domestic Service in Mandarin  
1030 GMT 9 Apr 89

[From the "National Hookup" program]

[Text] According to XINHUA, the government will take measures to strengthen the self-restraint mechanism of enterprises and guide them in voluntarily abiding by the law and discipline in order to ensure smooth implementation of the guidelines to improve the economic environment and rectify the economic order.

Serious problems of tax evasion, wanton price hikes, unauthorized issuance of bonuses in cash or in kind, and manufacture of inferior or fake goods in violation of law and discipline have been reported among some enterprises in recent years. The formulation of a complete and effective self-restraint mechanism for enterprises has become a focal point in deepening enterprise reform.

The State Commission for Restructuring the Economic System recently decided to strengthen the self-restraint mechanism of enterprises in the following five major areas in conjunction with the effort to improve the contracted managerial responsibility system:

1. Enterprises should work out a long-range development strategy which is to be closely integrated with contracts and a director's goals during his or her tenure.
2. Contracted targets should be scientific, including the fulfillment of annual profit and tax delivery indexes and technical transformation tasks of enterprises, as well as

the evaluation of labor productivity, ratio of profit and tax delivery to capital, and ratio of wages to net output value. Special attention must be paid to evaluating product quality.

3. It is necessary to further perfect the system of economic responsibility within enterprises and reinforce financial and economic discipline to ensure that funds are listed in ledgers and in-house banks are properly managed.

4. It is necessary to improve and perfect the method of linking the total payroll of staff members and workers to the economic efficiency of an enterprise.

5. It is necessary to strictly observe relevant state economic laws and statutes and intensify education in professional ethics so as to raise the sense of social responsibility among managers, staff members, and workers.

#### **Vice Minister on Enterprise Reform Measures**

OW0804001389 Beijing Domestic Service in Mandarin  
2230 GMT 1 Apr 89

[Text] At the fifth annual meeting of the Chinese Workers' Ideological and Political Work Research Society held in Nanjing on 31 March, Vice Minister Zhang Yanning of the State Commission for Restructuring the Economy said: In reforming enterprises for the next two years, we must vigorously carry out experiments to improve the contracted managerial responsibility systems, actively promote the amalgamation of enterprises, develop more enterprise groups, popularize the shareholding system and separate taxes from profit.

Zhang Yanning said: The amalgamation of enterprises is an effective way to combine reform with economic development. Since last year, various localities have regarded the amalgamation of enterprises as an important measure to improve the economic environment, rectify economic order, and strengthen reforms, scoring remarkable achievements in this connection. According to incomplete statistics in 24 provinces and municipalities, a total of 3,265 enterprises have merged with 2,739 enterprises. By merging with other enterprises, more than 75 percent of the enterprises that suffered losses have begun to make a profit. The process of amalgamation has played a positive role in improving the economic structure.

On the shareholding system, Zhang Yanning said: To carry out experiments steadily in developing the shareholding system with public ownership as the mainstay is important in reforming enterprises. According to incomplete statistics in 20 provinces and municipalities, by the end of 1988 a total of 3,800 enterprises had carried out experiments in selected sites for promoting the shareholding system. The various enterprises that carried out such experiments have played a significant role in forming the concept of ownership, raising funds, and establishing the essential factors of production.

He said: Right now, conditions do not exist in China to extensively promote the shareholding system, particularly the system to openly issue and sell stocks. Therefore, for the next two years, we will carry out experiments at selected sites to promote the system of encouraging workers to become shareholders of the enterprises where they work and for enterprises to buy shares of other enterprises. At the same time, we will select a few large- and medium-sized enterprises to carry out experiments in openly issuing stocks on the market. After we have gained some experience and improved our laws and regulations, we will think about adequately carrying out more experiments in selected sites.

**New Trends Surface in Enterprise Mergers**  
*OW1104012289 Beijing Domestic Service in Mandarin  
1030 GMT 9 Apr 89*

[From the "National Hookup" program]

[Text] This reporter has learned from the State Commission for Restructuring the Economy that new trends have surfaced in enterprise mergers. The major trends are as follows:

1. Mergers are moving from a stage in which they take place among only a few enterprises in a few cities to one in which they take place on a large scale. It is also moving from a stage in which they take place between two enterprises to one in which it takes place between several enterprises. Incomplete figures from 27 provinces, municipalities, and autonomous regions, show that some 2,800 enterprises have taken over more than 3,400 others. Mergers are also taking place among county, town, and township enterprises. When mergers first started, the normal practice was for one strong enterprise to take over a weak enterprise. After a while, there were instances of a strong enterprise taking over several enterprises.
2. The form of merger has become more varied. In contrast to the past, when mergers took place in the same trade or in the same locality, enterprises are taking over enterprises in other trades or other localities.
3. Instead of being used as a means to eliminate money-losing operations, mergers are being used more and more as a conscious effort to improve the economic structure. Statistics show that 27 percent of the enterprises were profitable when taken over, and 4 percent were very profitable. This shows that mergers are no longer used simply as a means to eliminate money-losing operations; more attention is being paid to the improvement of the economic structure.
4. Mergers are moving gradually toward standardized procedures after a period of experimentation and exploration. Provisional regulations on enterprise mergers have been enacted in most of the provinces and municipalities. As a result, haphazard enterprise mergers have declined, and the rate of success has increased. In

addition, mergers are moving gradually from a phase in which the government acts as the main go-between to one in which the merger is guided by market forces, in combination with government regulation and control.

**Population, Inflation Theory Viewed**  
*OW1104034489 Beijing GUANGMING RIBAO  
in Chinese 18 Mar 89 P 3*

[Article by Huang Zhongfa (7806 0022 4099): "The Population Factors—A New Theory on the Causes of Inflation"]

[Text] In addition to economic factors causing China's inflation and rising commodity prices, there are also population factors, to which people have yet to pay heed.

Theoretically, the process of social reproduction includes that of the reproduction of material means and population reproduction. These two processes have close relations with one another, and they influence and condition each other. The reproduction of material means serves as the material foundation for population reproduction; and the latter is essential for the existence and development of the former. As the key element of productive forces, population reproduction plays an important role in the reproduction of material means. What is particularly important is: A quantitative proportional relationship exists objectively between population reproduction and the reproduction of material means. That is to say that either one must develop in proportional relation to the other. Only when this objective, quantitative, proportional relationship is maintained and achieved can social reproduction proceed in a coordinated manner. If this relationship has been upset, two types of situation will appear: First of all, there will be an overproduction of material means, causing an oversupply of goods on the market in relation to the population. Consequently, supply will exceed demand, commodity prices will drop, inflation will subside, and deflation—or even economic depression—will begin. Second, there will be an excessive growth in the size of population, and it will cause a quantitative expansion of the population and an excessive demand for commodities. Consequently, supply cannot satisfy demand, the contradiction between supply and demand will sharpen, commodity prices will rise, and inflation will intensify. The process of China's social reproduction can be described by the second situation—an expansion of population reproduction. While the population has created an enormous pressure on productivity and substantially slowed down the pace to increase productivity on the one hand, it has greatly increased the demand on the other.

China's economic and social activities show that the way population factors trigger inflation and commodity price rises can be observed primarily in market needs—the intermediate link [in the economic chain]. Moreover, the sharp changes in market supply and demand have also triggered substantial increases in retail prices. That is to say that the quantitative increase of the population, once

it is out of control, will lead to a much higher demand for consumer goods than the actual supply, causing a shortage of supply and substantially driving up the prices of consumer goods for years on end.

The effects of the population on inflation and rising commodity prices can be observed primarily in the following three areas:

First, the expansion of the population will lead to a sharpening of the contradiction between supply and demand, and it will drive up commodity prices quickly, and create an inflation caused by high demand.

Generally speaking, when the standard, pattern, and quantity of people's consumption remain constant, the needs of the consumer market are determined by the size of the population. The faster the population increases, the greater the demand on the market will be. If the total supply of goods on the market cannot satisfy the needs of the new and old population, contradictions between market supply and demand will become more conspicuous and commodity prices will rise.

For 3 consecutive years since 1986, China's birth rates have exceeded 2 percent. According to competent authorities, each year the new population consumes approximately 2 percent of the actual increase in national income. Each year, more than one-fourth of the actual increase in commodity supply on the market has been consumed by the new population. This has further widened the gap between supply and demand on the market and become the key factor causing inflation and commodity price rises.

Second, population quality and population preferences have changed the structure of commodity needs and their quantity, creating inflation of a structural nature.

Because of the population's qualitative differences, people have different desires and criteria for commodities and services. While affecting the consumption standards, the population's qualitative differences have also changed the structure of the needs and quantity of commodities. Normally, the higher the population's quality, the higher their consumption needs and the more various their consumer goods will be.

On the whole, the quality of the Chinese population is still relatively low. That is why the nation's consumption standard is still low and the people's consumption dimension is still small, confined largely within the area of food, nonstaple food, cigarettes, and wines, for which the demand is not very flexible. On the other hand, the consumption of cultural and recreational goods is extremely limited. Statistics show that urban residents spent respectively 52.25, 52.43, and 53.47 percent of their living expenses on food in 1985, 1986, and 1987, of which 30.14, 30.35, and 31.3 percent were spent on nonstaple food. Their expenditures on cultural goods

were respectively 1.84, 1.82, and 1.84 percent during the same period. Such a pattern of expenditures certainly gives rise to rising food prices and an inflation of a structural nature.

Third, the cumulative effect, the inertia, and the cyclical character inherent with population production and growth, create peaks of population growth, causing serious proportional dislocations between population reproduction and the reproduction of material means. Consequently, people's consumption needs have far exceeded commodity supply on the market. Fueled by the contradiction between supply and demand, commodity prices have skyrocketed.

There have been three peaks of population growth in China since its founding, and each peak is closely related to inflation and rising commodity prices.

The first peak took place during the 1949-1957 period, during which time the population growth rates always exceeded 30 per 1,000, and the natural growth rates ranged from 16 per 1,000 to 23.23 per 1,000. During that period, the nation's commodity retail prices increased 8.6 percent, which was apparently inflation.

The second peak took place during the 1962-1975 period. The average annual population growth rate during that period always exceeded 30 per 1,000, and the natural growth rates ranged between 20.86 per 1,000 to 23.33 per 1,000. Although the changes in commodity retail prices were small during that period, all major consumer goods were rationed according to coupons and consumption was held down to the lowest level. That period actually had very serious, but hidden, inflation.

The third peak is currently taking place. Appearing with this peak are problems of conspicuous inflation and sharp commodity price rises obstructing the nation's economic construction and development. The nation's commodity retail prices increased 6 percent in 1986, 7.3 percent in 1987, and as high as 18.5 percent in 1988.

It is by no means accidental that each peak of population growth should have appeared along with inflation and rising commodity prices. Because population production and growth are out of control, they have upset the quantitative proportional relationship which objectively exists between population reproduction and the reproduction of material means. Consequently, the production and supply of material means cannot catch up with the consumption needs in population reproduction, strong consumption needs coexist with serious shortages of effective market supply, the gap between supply and demand has been widened, and inflation and rising commodity prices result because of the pressure of needs.

The above analysis shows that population factors include population quantity, population quality, population preferences, and peaks of population growth; and they are important factors in the nation's inflation and rising

commodity prices. This being the case, implementing the basic national policy of planned parenthood should be the starting point in the course of controlling inflation, curtailing rising commodity prices, and stabilizing the people's livelihood.

**LIAOWANG on Oil Industry Development**  
*OW1004110589 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 11, 13 Mar 89 pp 8-11*

[Article by Li Yongzeng (2621 3057 1073) "Two-Way View of China's Petroleum Industry"]

[Text] Shortly after 1988 two puzzling series of figures appeared in connection with the China Petroleum and Natural Gas Corporation. According to the first account, China fulfilled the state's plans of petroleum and natural gas production for 1988. In 1988, China's crude oil production reached 137.02 million metric tons, 2.9 million metric tons or 2.16 percent more than the previous year. Its natural gas production amounted to 13.9 billion cubic meters, 400 million cubic meters or 2.78 percent more than the previous year. According to the second account, in 1988, China's petroleum industry suffered losses in every business sector, representing a loss of about 1.4 billion yuan.

How can we explain these figures?

**Contracted Work in the Past 8 Years Kept Production at Over 100 Million Metric Tons Annually**

China's petroleum industry has made important contributions to the country's economic development. Annual petroleum production increased from 120,000 metric tons in 1949 to 137 million metric tons last year, resulting in an average increase of 3.42 million metric tons annually in the past 40 years, turning China from an oil-poor country to the world's fifth largest oil-producing country. However, as exploitation in some major oil fields became more intensive, and because of the natural law of progressive decrease, production of crude oil in the country declined in 1980. People both at home and abroad were very much concerned about the situation, worrying if China would be able to maintain its crude oil production at 100 million metric tons annually, and if production could continue to increase.

To prevent petroleum production from dropping, it was necessary to step up petroleum prospecting efforts, increase proven reserves, and take more measures to ensure minimum output. All this required large amounts of additional investment and work. At the time China was in a period of national economic realignment, and did not have the needed financial resources. It was against this background that the government adopted a policy of asking the petroleum industry to contract to produce 100 million metric tons of crude oil annually. China's petroleum industry was the first industry which undertook nationwide contracted responsibility for industrial production.

Implementation of overall contracted responsibility for petroleum output injected new vitality into China's petroleum industry. In the 8 years of implementing the overall contracted responsibility system, the petroleum industry raised 29.9 billion yuan for prospecting and development. Calculated on the basis of 1987 investment standards, this sum was enough to develop facilities to produce 46 million metric tons of crude oil annually, or nearly half of the crude oil production capability developed in 1987. Because of the enhancement of the petroleum industry's self-development capability, the government sharply reduced investment in the petroleum industry. In 1981, total investment in the petroleum industry was 5.42 billion yuan, of which 44.8 percent was invested by the state; in 1987, total investment was 18.38 billion yuan, of which 18 percent was invested by the state; and in 1988, total investment was 21.42 billion yuan, of which 16.8 percent was invested by the state. Thus, China's petroleum industry entered a period in which the more excess crude oil the industry produced, the more funds it raised for prospecting and development; and the more it completed prospecting and development work and the more quickly it modernized production technologies, the more it increased proven reserves and production of petroleum and natural gas.

As a result of the overall vigorous efforts made in contracted work by 1.2 million petroleum workers in the past 8 years, China's crude oil production not only maintained the level of 100 million metric tons annually, but increased steadily year by year. Taking the first 3 years of the Seventh 5-Year Plan, production in 1986 increased by 5.79 million metric tons over the previous year; production in 1987 increased by 3.45 million metric tons over 1986; and production in 1988 again increased by 2.9 million metric tons over 1987, basically fulfilling the plan of increasing production by 3 million metric tons over the previous year.

Despite this continuous increase in production, China's petroleum industry is still far from able to meet the needs of the nation's economic development. By the end of this century, China's total industrial and agricultural output value will quadruple, while the country's annual petroleum output can only double. Therefore, supply will be greatly outstripped by demand. Even maintaining this growth rate will be a very difficult task if no more large oil fields are put into operation. According to experts, oil output remains constant if exploitation technology remains unchanged. Oil output can change only if exploitation technology is changed. Considering the actual conditions of China's oil fields, the level of oil yield in China has not been low. This is mainly due to the use of water-flooding technology and air-pressure technology in exploiting thick oil and highly condensed oil. Moreover, oil exploitation is also governed by the natural law of progressive decrease. If annual crude oil production is 137 million metric tons, the rate of natural progressive decrease is 15 percent, or a decrease of nearly 21 million metric tons annually. To make up for this loss, we must sink 7,000 oil wells annually in addition to carrying out 130,000 underground operations.

Although the net increase of 2.9 million metric tons of crude oil last year was indeed a bit too low, the increase was not easy to achieve. Because of recurrent windstorms and snowstorms in northwest and northeast China last spring, production on large tracts of oil fields there was suspended. And because of devastating floods, which inundated more than 1,900 oil wells in Daqing oil field in July and August, crude oil output dropped by more than 500,000 metric tons. In the winter, Xinjiang oil field was forced to stop production because of power outages caused by one windstorm and cold front after another. Despite such adversities, oil workers pressed forward to ensure the accomplishment of state plans. Last year Daqing oil field's output did not decrease; it increased by more than 300,000 metric tons.

#### An Actual Profit, or Loss, of 1.4 Billion Yuan?

During the 8-year period, China's oil industry, in addition to fulfilling the gross output quota of 100 million metric tons of crude oil per year, raised output by 2 percent each year. However, this major tax payer and profit maker of the state has now become a debtor. A full year of hard work has given the 1.2 million oil workers virtually nothing but a debt of 1,167 yuan per person. People in the petroleum industry are angry about the 1.4 billion-yuan debt.

This debt incurred by China's oil industry is the result of the serious difference between the price and value of crude oil. According to authoritative sources, the cost of producing each metric ton of crude oil now exceeds 94 yuan, not including taxes of more than 26 yuan. This means that the oil industry has to pay more than 120 yuan for each metric ton of crude oil it produces. However, the current price of crude oil is only 110 yuan. In other words, for every 1 metric ton of crude oil the oil industry sells, it loses more than 10 yuan. This is the crux of the problem.

Undeniably, there are many loopholes in management, raw material consumption, and expenditures of China's oil industry. This means that the oil industry still has great potential for lowering its cost. Compared with other countries, oil worker productivity in China is also too low. In the United States and the Soviet Union, for example, whenever crude oil output exceeds 100 million metric tons, average output of each oil worker is 576.2 metric tons and 1,132.4 metric tons respectively. In China, however, whenever crude oil output exceeds 100 million metric tons, per capita productivity is only 105.8 metric tons. However, following the sharp drop of oil prices on the international market, each barrel of crude oil is now about \$15, or approximately 450 yuan, per metric ton. This means that the domestic market price of oil is only one-fourth of that on the world market.

We must admit that China's economic development may be attributed to its inexpensive oil, and that inexpensive oil has also benefitted all processing industries. The oil industry has made the following calculations:

In terms of direct benefits, each and everyone of China's 1.2 million oil workers last year earned \$13,000 of foreign exchange. This is based on the lowest international price of \$105 per metric ton, and on China's oil output of 137 million metric tons of crude oil and the \$15 billion revenues from natural gas in 1988.

In terms of indirect benefits, the aggregate profits and taxes obtained from selling oil products by the nation's petrochemical, commercial, and foreign trade departments in 1988 should be approximately 33.5 billion yuan.

In terms of the foreign exchange earned from export, the nation exported approximately 300 million metric tons during the 1981-1987 period, earning \$45.67 billion. The amount of foreign exchange earned in 1985, the year in which oil prices on the world market were at their peak, was close to \$7 billion, or more than one-fourth of the total amount of foreign exchange earned by the country in that year. Even in 1987, when oil prices were at their lowest, the amount of foreign exchange earned during the year still exceeded \$1 billion.

In terms of input-output ratio, during the 8-year period the state invested a total of 18.7 billion yuan in the oil industry. During the same period, the oil industry delivered 56.3 billion yuan to the state, or 301 percent of the total investment.

Thus, whether China's oil industry is debt-ridden or profitable should be judged by how the calculations are made. At present, when oil prices cannot possibly be readjusted in a substantial way, it seems that the debt must be shared by all departments of the oil industry.

#### Advance Westward, Go Down Eastward: Way Out for the Oil Industry

The loss suffered by China's oil industry is alarming. When the policy of reform and opening up were launched, the energy industry and transportation were regarded as the two priority undertakings of key strategic importance to be developed. It is really a matter of concern that after 10 years, one of the two key undertakings, the oil industry, has fallen into such a predicament.

For 1989, the oil industry's target is to increase output by 3 million metric tons and ensure that the annual crude oil output will reach 140 million metric tons. As acknowledged by Wang Tao, president of the China National Petroleum Corporation, if this target is to be met, China's oil industry must face three big difficulties:

One is the shortage of funds. There will be a fairly big gap between the amount of funds that can be raised and utilized this year and the amount of investment required to meet the annual production target of 140 million metric tons of crude oil.

The second difficulty is the problem of resources. At present, the exploitable portion of proven oil reserves as of the end of last year is only sufficient for a little more than 1 year if production capacity is to be expanded.

The third difficulty is that the existing oil fields, especially the principal oil fields which contribute over 60 percent of the nation's crude oil output, have entered or are going to enter the final stage of stable production. This means that stable production will be increasingly difficult to maintain.

He said that the removal of those factors that restrict investment in the oil industry depends on adjusting the nation's industrial policy and tapping potential in the oil industry itself. As for the other two restrictive factors, what is required is accelerating oil reserve prospecting and making advances in science and technology. The proven oil reserves found during the past decade equal those in the preceding 30 years. In particular, a breakthrough and progress have been made in exploring new oil fields in shallow seas in Bohai Wan in the east and in Xinjiang's Tarim Pendi in the west. It is very possible that we will find a large or extra large oil field, which will push China's oil industry to a new stage.

To go down to the sea in the east and advance into the deserts in the west seems to be the two ways to make a breakthrough in China's oil industry. According to the latest estimates, the proven reserves discovered so far are only a small part of the total resources of 78.75 billion metric tons of crude oil and 33.3 trillion cubic meters of natural gas hidden in China's mainland and continental shelves.

**1989 Publishing Industry Outlook Reviewed**  
*OW1004001189 Beijing GUANGMING RIBAO*  
*in Chinese 13 Mar 89 pp 1, 4*

[Report by GUANGMING RIBAO reporter Yuan Shuhua (5913 1659 5478): "How Is the Situation of the Publishing Industry This Year?—An Interview With the Responsible Persons of 10 Publishing Houses"]

[Text] Summary of the contents: Having gone through a period of trial and hardship of shortages in raw materials and rising publishing and printing costs, everyone in the publishing industry seems to be looking for a way to adapt to the "initial stage of socialism." Despite intervention by the state to restrict price hikes for paper and other raw materials, there is still not much hope for the industry to have a respite this year from deficit. It may be exaggeration to say the publishing industry is in an "abyss," but in fact it is facing a grim situation. When the price of books was raised slightly last year, it soon led to a drastic decline in the effective social demand for books. Some people estimate that the total volume of various kinds of books printed in China this year will be only between one-tenth to one-fifth of what it was a few years ago. The development of cultural and publishing undertakings cannot be

expected to be completely in keeping with the law governing commodity economy, and books are not like common commodities that can be left alone to rise or fall in a market economy. The adoption by the state of a policy of encouragement and support concerning tax revenue will be needed, particularly for the publishing of academic works. The current grim situation confronting the publishing industry is mainly the combined result caused by many factors outside of the industry itself. Therefore, an improvement of this situation will depend on the improvement of the environment surrounding the industry.

Recently this reporter visited 10 of the capital's publishing houses. They included large, all-around publishing houses known inside and outside of China, specialized publishing houses of various categories and publishing houses of higher institutions of learning. Through many lengthy interviews with their directors and chief editors, I have gained some insight into the situation facing China's publishing industry this year. In addition, I have also found quite a few problems that call for serious thought.

**Each Looks for Its Own Way To Cope**

I have noticed that the publishing industry, which has come out of a period of trial and hardship of shortages in the supply of raw materials and of rising publishing and printing costs, seems no longer in a panic state in which it was at a loss what to do, nor full of grievances. They no doubt have paid a big price for "warming up" in the past few years. At the same time, this has left them no other choice but to find one way or another to adapt themselves to the "initial stage of socialism."

Mei Yi, chief editor of the Dabaike Publishing House, told me: The year 1989 will be a year in which the Dabaike Publishing House, an incomplete publishing house, will become a complete one. In the past, it was completely under state control, and its work was limited to preparing manuscripts and editing, while others handled publishing and marketing. Its operation then was like letting a peasant do only plowing, but not harvesting. With the gradual decrease in operating funds in recent years, it is now difficult for it to survive, let alone develop. In 1989, the first thing it did was to establish a publishing department and a sales department. It has begun to expand the scope of publishing and plans to publish some profitable reference books such as simplified versions of encyclopedias and specialized dictionaries.

Because dictionaries and reference books have sold well in recent years, the Commercial Press so far has been able to "keep going." The relaxed economic environment enables the press, which was founded more than 90 years ago, to keep its mind on grand "cultural projects" and publish famous Chinese and foreign academic works regularly. The bearing of its general manager, Lin Erwei, is different from the general managers of other publishing houses. In his opinion, impetuosity will prevent one from publishing quality books; the editorial department should not practice a contract system, nor should it be

given a work quota; and authors should not be asked to guarantee the sale of a certain number of copies of their books. He said that publishing houses should persistently serve authors and readers at all times, and the editors' proper duty is editing.

I met Shen Changwen, manager of the Sanlian Bookstore, by chance at the Commercial Press. He went there to borrow money. It was obvious that the financial situation of the bookstore was too tight for it to survive. However, Shen said that they still insisted on publishing books of "good taste" and some small works of famous writers. After several years of effort, they have finally made progress in publishing books in cooperation with foreign partners, and their book export volume will be the highest this year. They are striving to sell more Chinese books in the international market, use export earnings to subsidize "domestic operations" and keep the store's salient feature of publishing famous works of famous Chinese and foreign writers over the past 50 years.

While publishing houses are different in size and age, each has its own style of operation. The Beida Publishing House practices "one main occupation with diversified undertakings." It produces audio-visual teaching aids and uses the profit to offset its loss incurred as a result of publishing academic works and other teaching materials. It will begin publishing software this year. The Shuidian Publishing House is coping with present difficulties mainly by readjusting its management. It has four independent accounting units—the publishing, editing, and audio-visual departments and a service company. It will continue to strengthen reform to enhance its vitality this year.

Of those interviewed, there are also some that are at their wit's end. For instance, the Foreign-Language Education and Research Publishing House had nothing left at the year-end settlement of accounts last year and was advanced 300,000 yuan by the Beijing Foreign-Language Institute at the start of this year. Because of limited financial resources, it has to further "optimize" its publishing plan and reluctantly delete from the plan some books that yield poor economic returns although the society needs them. Yin Shizhen, director of the publishing house, did not conceal his worries at all. He told me: Now we are publishing books within the limits of our financial ability, but under no circumstances will we publish a bad book.

#### **The Biggest Difficulty Is That Publishing Is a Losing Business**

Although the state has brought under control the price rises of paper and other materials, making the operation of publishing houses easier, it seems that publishing will remain a losing business this year.

Foreigners say that the books published by our Science Publishing House will roughly show the level of China's scientific and technological development. Indeed, the

Science Publishing House is China's authoritative publishing house that publishes natural science books of high standards, high levels, and high quality. It is also one of the several publishing houses that incur the greatest loss every year. In the last few years, almost all the books published by it were published at a loss.

"I have thought of financial assistance from society. I have also thought of diversified undertakings. However, the government's scientific research funding is so little, and a small amount of subsidy cannot solve the problem of a major publishing house that incurs a loss of several million yuan annually," said Chief Editor Su Shisheng. He told me that the publishing house published several best-sellers about retired people and children and earned 2 million yuan from those books last year, but the final account of the year still showed a loss of over 2 million yuan. Besides, people are still criticizing its publishing of those books as "damaging the image of a science publishing house."

To meet the development of our electric power industry and reflect its technological level, the Shuidian [water and electricity] Publishing House should have published some specialized books on high-tension power, large generator sets, and precision instruments. In fact, however, it can publish some common-sense books, such as "Rural Electric Engineering." So far, it still cannot include in its publishing plan any books of high academic level and great social benefit, such as "River Flood Prevention," because it cannot afford an anticipated loss of several hundred thousand yuan. Its Chief Editor Chen Bingkun said with emotion that a publishing house is unable to develop the publishing industry in the interest of the learning and culture of our country and our people if it does not have a substantial economic strength.

The difficulty of the Shuidian Publishing House is a difficulty shared by almost all specialized publishing houses. Most of them do not have capital accumulation.

According to regulations, the publishing houses will pay the state a 35 percent profit tax. From the remainder, they will pay a 20 percent energy tax. Then they will use one-half of what is left in maintaining their operation and in the welfare of the workers and staff members. In this way, there will be very little money left for development. The Commercial Press is an old, well-reputed, large publishing house, but it has no year-end accumulation either and has to begin with zero accumulation every year. This being the situation of the Commercial Press, the situation of other publishing houses is even more understandable. No wonder those managers and chief editors are not as "free and easy" when they discuss their financial situation, as when they discuss academic questions.

#### **It Seems To Be Biased To Describe the Publishing Industry as "In A Slump," But the Grim Situation Is a Fact**

Before the interviews, I was prejudiced in regarding China's publishing industry as "in a slump" and thought

that it would remain "in a slump" this year. After several interviews, I have realized that it is somewhat biased to regard the publishing industry as "in a slump," but its grim situation is a fact.

Let us not talk about the first several years after the downfall of the "gang of four" at this moment and take the last several years, for instance, instead. The variety, quantity, and quality of the books published by the several publishing houses that I visited are as good as their best achievements of the past. The Science Publishing House this year plans to publish 700 publications, nearing its peak output during the "Great Leap Forward" period, and its present publishing quality and technology are much better than those years. We should not regard the "peak of publishing output" founded on a cultural desert after the "chaotic years" as a prosperity of the publishing industry. For the same reason, we should not regard the readjustment made by the publishing industry in the face of a competition of commodity economy today as a depression or slump, either. In fact, the book market in our country has shown a tendency toward saturation since 1985. Publishing will no longer enjoy the boom of "selling out three printings in a row." To generalize the situation of the publishing industry as "in a slump" more or less reflects the worries of the publishers in the face of the difficulty. It also shows Chinese intellectuals' longing for a cultural and educational prosperity.

There is no denying that the difficulties encountered by the publishing industry in recent years are a fact. On the one hand, material prices and printing fees have gone up. On the other hand, there has been an increase in publishing costs, propaganda and advertisement expenses, and rebates of one kind or another. What is the solution? Can the prices of books be fixed on the basis of their cost? The Science Publishing House made a cost estimate for printing less than 1,000 copies of a book last year. The printing cost for each book is as high as 3.8 yuan. How many readers can bear this? Last year when the prices of books were raised slightly, the number of orders received by this publishing house immediately dropped, and there was a sharp decline in the effective demand on the book market. Some people estimate that for most books published in our country, the numbers of copies to be printed this year will be only one-tenth to one-fifth of the numbers printed several years ago.

As can be seen from the above, it is unrealistic to use the prices of books—the ultimate products—to offset the various high-cost factors. Particularly, regarding books on science and technology, of which only several thousand copies are printed, it is absolutely impossible to balance the price and the cost, not to mention making a profit.

If there is a "slump," the numbers of copies of academic works and scientific and technological books may be described as in such a "slump." Last year when I noted that the average number of copies printed of the books of the Science Publishing House dropped to 2,000, I thought

we had reached the "bottom of the slump." As can be seen from the book orders received this year, however, the figure may be further reduced by one-half. Confronted with such a grim situation, Chief Editor Su said he does not even know where "the bottom of slump" is.

#### The Publication of Academic Works Urgently Needs Support; the Publishing Industry Pins Its Hope on Rectification and Improvement of the Big Environment

It appears that the trouble faced by the publishing industry cannot be simply attributed to economic hindrance. The real problem is that the publishing industry in an unhealthy commodity economic environment is subject to too much interference by external factors.

During the last few years, publishing houses have done almost all they could for the sake of their survival and development. What they have done includes careful selection of the books to be published, improvement of management, enhancement of the business thinking, and change of the mode of operation from simple production to business-type production. However, the development of cultural and publishing undertakings cannot fully conform to the law of the commodity economy, nor should books be allowed to float up and down by themselves in the market economy as ordinary commodities. Because of this, the publishing industry cannot fully depend on self-adjustment to embark on the road to prosperity no matter how hard it exerts itself.

Books are products of mental work. Writing and publishing books should not be aimed purely at making profits. Still less is it possible for academic works to yield quick economic returns. Their value can only be embodied in the overall cultural benefits. In general, the value added to culture by the publication of academic works is far more important than the dissemination of culture by other books. For this reason, it is unreasonable to include academic works along with ordinary books in the framework of the national economic accumulation.

The view that Mei Yi expressed on this issue was of great significance. He said: If an important academic work cannot be published, this should not be viewed merely as a loss on the part of the author himself, but a loss for the nation. The chief editors hope that the state will carry out some policies to encourage, support, and help the publication of these kind of books. For instance, the state may give such books preferential tax treatment by reducing or exempting tax on them or may allow the publishing houses concerned to retain their profits on these books for use in developing themselves instead of turning the profits over to the state.

Of course, books are commodities, and they are published for sale. Many books can also yield considerable economic returns. It is necessary for the state to set tax rates for different categories of books. In particular, a heavy tax must be imposed on those reading materials that yield

considerable economic returns but little social benefits and do not violate the criminal law. The tax revenue received should be used in publishing academic works.

On the one hand, we have to switch from the old system to a new one. On the other hand, we have to consider the multiple value of books. This makes it especially difficult to reform the publishing industry. Moreover, the grim situation the publishing industry is presently facing has resulted mainly from a combination of many external factors. For example, the sharp drop in the number of copies printed of scientific and technological books is not only caused by inflation but also by many other

factors, such as "devaluation of knowledge," "reversed attitudes toward mental work and physical labor," and "the idea that study is of no use." To change this state of affairs, the publishing industry can only pin hope on the rectification and improvement of the external environment. As correctly stated by Wu Jingzhen, director of the Beijing Normal University Publishing House, we still hope that the authors' remuneration can be raised despite the economic strain faced by publishing houses. This is because the remuneration presently received by intellectuals is, indeed, too low. "Book authors" are poorer than "book publishers," and "book publishers" are poorer than "book sellers." This situation of unfair distribution should no longer be allowed to continue!

## East Region

### Fujian Party-Building Meeting Concludes OW0804043989 Fuzhou FUJIAN RIBAO in Chinese 12 Mar 89 p 1

[Text] A provincial party-building work meeting ended on the afternoon of 13 March. Jia Qinglin, deputy secretary of the Fujian provincial party committee, made a speech summarizing the meeting. He urged party organizations at all levels to conscientiously implement the guidelines of the meeting and work steadily to push party-building work forward.

Participants at the meeting, which began on 6 March, studied some important instructions issued recently by the Central Committee on stepping up party-building, and listened to and discussed the speech delivered by Comrade Chen Guangyi on behalf of the provincial party committee. They discussed and revised four documents of the provincial party committee on stepping up building primary organizations in rural areas and enterprises, improving the education for party members, and ensuring ethical integrity. The meeting participants also exchanged experience in party-building from various localities and discussed tentative future party-building plans. The discipline inspection, organization, propaganda, political restructuring, and supervisory departments arranged their work in connection with party-building. During the meeting, the comrades had a lively discussion on the necessity of party-building, what to do in party-building, how to carry out party-building work, and how to create a favorable atmosphere for it. They said that the meeting made them more clearly understand the situation and the task in party-building and firmed their confidence in the work. Many comrades understood that the two-fold task [developing socialist commodity economy and carrying out ideological and political work] meets the objective needs of building socialism with Chinese characteristics; it is a task requiring good leadership and method and conforming to our party leadership over the modernization drive. It is not an expedient measure, but a fundamental guiding principle that we must follow for a long time to come. Many prefectural, city and county party secretaries said that as leading party cadres, it is their duty to do party building work and they will surely place it on their daily agenda and do it well. The comrades present at the meeting were inspired by the present favorable atmosphere for party-building work. They expressed the idea that currently there is a favorable atmosphere, orientation, methods, and hope for successful party-building.

Leading comrades present at yesterday's session were Chen Guangyi, Jia Qinglin, Hu Hong, Cheng Xu, Zhang Kehui, He Shaochuan, Lin Kaiqin, Wen Fushan and Huang Ming. Comrades He Shaochuan and Zhang Kehui presided over yesterday's meeting.

Comrade Jia Qinglin delivered a summation speech on behalf of the provincial party committee. In his speech, he fully affirmed the achievements of the meeting and emphatically discussed how to implement the guidelines of the meeting. He said: The meeting is just the beginning of a favorable atmosphere for party organizations at all levels in this province to undertake the party-building task. Hence, our tasks are still very heavy and arduous.

First, we should seriously convey to lower levels the guidelines of this meeting, so that party committees at all levels will treat the two-fold task as a guiding principle, and the vast number of party members will enhance their party spirit, show concern for party-building, and conscientiously act as a qualified party members.

Next, party committees and the departments concerned should earnestly take on the responsibility for party-building. A key to party-building is that the leading body and leading cadres must have a unified understanding, and in day-to-day work, they must handle well the relationship between the work of improving the economic environment, rectifying the economic order, and strengthening reform and the party-building work, and between ideological and political work and party-building work. They must ensure that efforts to do research on ideological theories, to train party cadres, to build up primary party organizations, and to improve party work style and discipline will promote each other. They truly must place party-building as an important item on their daily agenda, and devote more energy and time to the work. All departments should persist in the two-fold task.

Third, it is necessary to convey the guidelines to lower levels and organize their implementation at the same time. The key to implementing them lies in doing practical things and ensuring success in doing those things. At present, we should pay special attention to the following: 1) It is necessary to educate party members in the current situation. 2) We should actively promote "two opennesses and one supervision" [as published] and step up the establishment of a system for ensuring a clean government, and this work should be done step by step in a down-to-earth way, with emphasis put on practical results. 3) It is necessary to rectify, strengthen, and improve party branches at the grass roots level, with priority given to backward party branches, particularly those whose work is completely or partially at a standstill. 4) It is necessary to do a serious and good job in making a democratic appraisal of party members. 5) It is necessary to discover and cultivate exemplary persons, and on the eve of this year's party anniversary, all prefectures, cities and counties should commend a number of outstanding communists and advanced party workers who set forth new ideas, are honest in performing official duties, and serve the people wholeheartedly. 6) It is necessary to seriously investigate and handle a number of important cases. 7) A general inspection of party style and administrative discipline should be conducted at all levels in the second half of this year.

In conclusion, Comrade Jia Qinglin called on party organizations at all levels and all party members to uphold the principle of party spirit; enhance their sense of organization and discipline; conscientiously protect national interest and inner-party unity; maintain and promote stability of the society, economy and people's morale; and consolidate and enhance the political situation of stability and unity. He called on them to enhance vigor; do their work well in all fields; overcome difficulties in the course of reform; and ensure smooth progress in the work of improving the economic environment, rectifying the economic order, carrying out reform, and opening to the outside world.

At yesterday's meeting, some departmental, prefectural and city leaders discussed how their departments and localities will carry out party-building work. They included Lin Kaiqin, member of the Standing Committee of the provincial party committee and secretary of the provincial discipline inspection commission; Liu Jinmei, director of the organization department of the provincial party committee; Zhao Xuemin, secretary general of the provincial party committee and director of the office for reform of the political structure; Wang Zhongxin, deputy director of the propaganda department of the provincial party committee; Fu Dawen, director of the provincial department of supervision; Huang Wenlin, secretary of the Nanping prefectoral party committee; Xi Jinping, secretary of the Ningde prefectoral party committee; Zheng Yizheng, secretary of the Putian City party committee; Shi Zhaobin, deputy secretary of the Quanzhou City party committee; Zhang Wenliang, secretary of the Zhangzhou City party committee; Qiu Binghao, deputy secretary of the Longyan prefectoral party committee; Zhou Houwen, secretary of the Sanming City party committee; Hong Yongshi, deputy secretary of the Fuzhou City party committee; and Wang Jianshuang, secretary of the Xiamen City party committee.

**Jiangsu Adopts Price Control Measures**  
*OW0804001189 Nanjing XINHUA RIBAO in Chinese  
25 Mar 89 p-1*

[By reporter Shen Caimao (3088 2088 5399)]

[Excerpts] According to a XINHUA RIBAO report, the main topic in the province-wide meeting on commodity prices which concluded yesterday was how to steadily stabilize the market, control commodity prices and ensure that price rises this year are conspicuously lower than last year.

The meeting held that to stabilize the market and control prices is not only an economic task, but also a political one. To ensure that price increases this year are noticeably lower than last year, the meeting decided to adopt the following comprehensive measures to improve the economic environment and to strengthen macro-control on the one hand and increase effective supplies on the other.

—We must adjust the product mix, and increase effective supplies. Governments and departments at all levels must firmly implement the guideline of improving the economic environment and rectifying economic order, rationalize the structure of production, and ensure effective supplies. We must decide which projects to restrict and which projects to develop in strict accordance with state regulations. We must adopt a firm attitude and effective measures in this connection. We must also try our best to produce more nonstaple foodstuff and daily necessities for the people and ensure their supplies on the market. [passage omitted]

—We must resolutely curtail social demand. Excessive social demand is the main reason for inflation and price rises. We must curtail social demand, and pay particular attention to reducing the scale of investments in fixed assets. The provincial government has decided to curtail social demand by 52 percent this year as compared with last year. We must resolutely control the excessively high rate of growth in consumer demand. The institutional purchasing power of the entire province must be reduced by 20 percent this year over last year.

—We must strengthen price control and our supervisory mechanism. Governments at all levels and various departments concerned must adopt measures to strengthen price control. No local department or unit in the province is allowed to increase prices for capital goods or consumer goods or any service charges which are under state control.

—We must maintain a good order in commodity circulation. To ensure market supply, we must establish a centralized wholesale system for some of the daily necessities produced in the province. This is an important measure to maintain a good order in commodity circulation. [passage omitted]

—We must set aside funds for carrying out price regulation on the market. The governments at all levels must set aside funds for carrying out price regulation on the market this year, and use this money well to stabilize commodity prices on the market.

At the end of the meeting, Vice Governor Chen Huan-you delivered a speech.

**Mao Zhiyong Addresses Jiangxi Education Meeting**  
*OW0804055789 Nanchang JIANGXI RIBAO  
in Chinese 27 Mar 89 p 1*

[Text] Yin Fuqing reports: On the mornings of 23 and 24 March, Mao Zhiyong and Liu Fangren, respectively secretary and deputy secretary of the provincial party committee, attended a discussion meeting of the provincial education commission, heard the views of educational cadres and teachers, and discussed with them the sound strategy for developing education in Jiangxi.

Attending the first day of the discussion meeting were party committee secretaries, principals, experts and professors, totaling 12 people, from 9 institutes of higher learning, including the Jiangxi University, the Normal University, the University of Agriculture, the University of Industry, the College of Medicine, the College of Traditional Chinese Medicine, the College of Navigation, the College of Finance, and the Institute of Irrigation. Attending the second day of the meeting were secretaries in charge of education, deputy county heads, education bureau directors, principals and teachers, totaling 14 people, from seven counties and cities of Nanchang City and Yichun Prefecture. Participants in the meeting had broad discussions on the questions of correctly understanding the role of education, increasing educational investment, increasing the material benefits for teachers and improving their status, and strengthening moral education for students. Comrades attending the meeting affirmed the educational achievements made by our province in the past 10 years, earnestly analyzed the difficulties and problems faced by our province in education, and offered suggestions for developing and invigorating education in Jiangxi.

Mao Zhiyong and Liu Fangren listened carefully to the speeches by comrades attending the meeting, making passing remarks now and then to look further into the topics under discussion. They expressed satisfaction with the efforts by the entire province to pool funds in solving the problem of hazardous school buildings, and affirmed the achievements made by some grass roots units in educational reform as well as reforms in vocational education, basic education, adult education, and other fields. They also aired their views on how to develop education in Jiangxi. Mao Zhiyong and Liu Fangren said: Party committees and governments at all levels should attach strategic importance to educational development, truly consider education as a foundation, and strive to bring prosperity to China through education. They said: Comrades of educational departments have worked laboriously to invigorate education in Jiangxi, and have won the people's respect. We thank you for offering these valuable opinions and suggestions to us. The Second Session of the Seventh NPC [National People's Congress] is discussing education, an important aspect of the government work report. The central authorities will adopt an important policy decision on educational development and reform. We should keep up our efforts in making investigation and study, and take effective measures to speed up educational development in our province. Schools should improve ideological and moral education, tighten supervision, and create an optimal environment for educating our young people. We strongly believe that education in Jiangxi certainly will hold great promise if we do our work in a down-to-earth manner.

**Shandong Educational Trade Union Congress Held**  
**SK0804051689 Jinan Shandong Provincial Service**  
**in Mandarin 2300 GMT 6 Mar 89**

[Excerpt] At the First Shandong Provincial Congress of the China Trade Union of Educational Workers, held in Jinan on 6 March, Ma Zhongchen, deputy secretary of

the provincial party committee, pointed out that the revitalization of the Chinese nation lies in education, and the revitalization of education lies in teachers. If we want to depend on the teachers and the administrative staff to run education well, we must give play to the role of educational trade unions, and mobilize and rally the vast number of teachers and administrative staff to plunge into the development and reform of educational undertakings.

After reviewing the great development of the province's educational undertakings over the past 10 years, Ma Zhongchen pointed out: Education is a cause for meeting the needs of the future, as well as the foundation of the socialist modernization drive. There are still many contradictions and problems which we cannot neglect in our educational undertakings. Under the new situation of improving the economic environment, rectifying the economic order, and deepening reform, party committees and governments at all levels should earnestly solve these contradictions and problems, and should regard the strengthening of educational undertakings as a task of strategic importance. Even though we may hold ourselves back in other fields, we should be determined to boost educational undertakings. Although we are faced with a serious shortage of funds, we should focus our funds on developing educational undertakings.

Ma Zhongchen stressed: Being an important social group, the provincial trade union of educational workers must earnestly implement the line defined since the 3d Plenary Session of the 11th CPC Central Committee; solve problems for teachers; safeguard the legitimate rights and interests of teaching and administrative staff; and organize teaching and administrative staff to participate in democratic management of schools and conduct the activity of imparting knowledge, educating people, and setting examples for others so that the vast number of teachers can exploit their role and make due contributions in deepening the educational reform.

Yang Xingfu, vice chairman of the provincial People's Congress Standing Committee and director of the provincial Trade Union Council, also spoke at the congress. [passage omitted]

**Shanghai's Jiang Zemin at Construction Exhibit**  
**OW0804083189 Shanghai City Service in Mandarin**  
**1000 GMT 3 Apr 89**

[From the "News" program]

[Text] According to a report by our reporter (Zhou Baogong), an exhibition, featuring Shanghai's achievements in urban construction during the past 10 years, opened this morning at the Shanghai Fine Arts Exhibition Hall. Jiang Zemin, secretary of the municipal party committee, and Zhou Ganzhi, vice minister of construction, attended the opening ceremony and delivered speeches.

The exhibition shows Shanghai's urban construction achievements over the past decade in 10 different fields, including urban planning and construction, public utilities, housing construction, building materials industry, and the drive of planting trees to make the city green. As revealed at the exhibition, new buildings and houses with a total floor space of 68 million square meters have appeared during the past 10 years. This has increased Shanghai's building space and housing by more than 100 percent. Of this, new residences account for 40 million square meters. This is 2.3 times the residences built during the 30 years from 1949 to 1978. Because of this, more than 1 million families have improved their living conditions. Regarding the tree-planting efforts to make the city green, the green area per capita in urban areas has increased from 0.46 to 0.96 square meters, an increase of more than 100 percent. The exhibition also features models and pictures to show the big municipal projects being planned, including a bridge over the Huangpu Jiang, the Shanghai subway, and a waste water disposal facility, as well as a 4,500-meter-tall radio-TV tower, the first of its kind in Asia, which will be built. Additionally, the exhibition shows the current difficulties in public transportation in the municipality.

Also present at the opening ceremony were Yang Di, Wu Bangguo, and Zeng Qinghong, deputy secretaries of the municipal party committee; Wang Liping, member of the Standing Committee of the municipal party committee; Ni Tianzeng, vice mayor; Xu Yifang, vice chairman of the municipal CPPCC [Chinese People's Political Consultative Conference] Committee; and Shi Zhusan, chief procurator of the municipal people's procuratorate.

### Central-South Region

#### Guangdong's Lin Ruo Discusses Current Issues HK1004044989 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 10 Apr 89

[Text] According to NANFANG RIBAO, Guangdong Provincial CPC Committee Secretary Lin Ruo recently inspected work in Zhanjiang. He conducted investigation and study in factory workshops and the rural grass roots, and held numerous discussions with city, county, township, town, and enterprise leaders. He repeatedly emphasized that the leaders at all levels must persevere in grasping thing with two hands, that is, grasp economic construction with one hand and the building of clean government with the other, to ensure that there will be no deviation from the orientation of reform and opening up in the course of economic development.

On 2 April Comrade Lin Ruo inspected the Sanxing Farm Vehicle Consortium, the city's economic and technological development zone, and the Guangdong Banqiu Consortium's refrigerator plant. While visiting the latter plant, he said to general manager (Li Xiuren): It is necessary to deepen the reforms and develop genuine industrial enterprise consortia. It is necessary to strengthen management, boldly import management techniques, work hard at

reforms and pioneering, and gradually form a whole set of scientific management methods. We must strive to improve economic returns through internal development, and enhance competitiveness.

Comrade Lin Ruo described the Banqiu Consortium and the farm vehicle company as two swift steeds in Zhanjiang's industry. He hoped that they will compete with each other well, learn from each other, and forge ahead together.

After listening to reports delivered by the leaders of Suixi (Yangquan) No 2 sugar refinery and Linjiang health beverages plant, Comrade Lin Ruo expressed understanding regarding the present capital difficulties of the enterprises. He also earnestly hoped that the leaders at all levels and the comrades of the enterprises will profoundly realize the grim situation facing the whole country and the whole province, and summon up resolve to carry out improvement and rectification; capital construction projects must be halted or postponed, as warranted.

Everywhere he went during his inspection of work in Zhanjiang, Comrade Lin Ruo discussed both economic construction and the building of clean government. After hearing a report on clean government delivered by a responsible person of the Suixi County CPC Committee, he affirmed the county's achievements in building the rural grass-roots party organizations, and also pointed out the problems existing in the organs. He hoped that the county party committee will summon up the resolve to rectify work style in the organs. It is necessary to organize publicity and supervision regarding cadres who abuse their powers by building private houses, and launch the masses to appraise the cadres, so as to spur the building of clean government.

#### Capital Shortage Halts Guangdong Key Projects HK0904045589 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 9 Apr 89

[Text] According to information released by the provincial construction commission, due to lack of capital, work has halted on a number of key capital construction projects in energy, communications, and raw materials. In some cases materials are no longer being allocated for them, and in some others there are disputes with the peasants over the use of land. This has had a serious impact on the progress of the projects.

The Gaoyao-Maoming railroad, due for completion next year, requires the construction of 183 km this year, including 73 km to be commissioned for use by the end of July. However, as of March the project had still not obtained needed investment, and it owed a total of 82 million yuan.

Due to failure to firm up investment, work has also halted on the project for (converting) coal to oil at the Huangpu power plant, and on the Jiangmen single-cell

albumen experimental base, which is a national key experimental industrial project in developmental biology concerning albumen technology research and experimentation.

The provincial construction commission hopes that the sectors concerned will implement the capital construction investment guideline of cutting some projects while ensuring the key projects, and provide capital and credit for key projects.

**Guangdong Power Shortage Expected To Worsen**  
*HK0904045789 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 9 Apr 89*

[Text] Far from being alleviated this year, the supply-demand contradiction in electric power in Guangdong may actually worsen in the wake of the increase in society's total power consumption. Power consumption in the first quarter showed a big rise over the corresponding period of last year, while actual generation only rose by 3.5 percent. At present there is a 60 to 70 percent shortfall in power supply in certain cities and counties. Since there is a serious overloading, the provincial electric power allocation center has no alternative but to institute power cuts.

A responsible person concerned of the provincial electric power bureau said that given the current extreme power shortage, it is particularly necessary to lay further stress on planned and economical power consumption. In allocating power, the power departments will, to the greatest extent possible, give priority to ensuring supplies for people's daily life. Consumers are asked to cooperate and understand the situation.

**Guangdong Experts Seek Medicine Import Curbs**  
*OW0704004989 Beijing XINHUA in English 1607 GMT 6 Apr 89*

[Text] Beijing, April 6 (XINHUA)—Medical experts in south China's Guangdong Province have called for a curb on imports of foreign medicine, the current issue of "HEALTH NEWS" reports.

The province spent 135 million U.S. dollars on importing 400 kinds of foreign medicine in 1988. Some are costly; others are ordinary types that can be made in China.

The paper quotes an official of the Guangdong Medicine Inspection Bureau as saying that the imports of medicine in Guangdong last year represented a third of the total annual imports of the whole country. Some 3.4 million U.S. dollars worth of imported medicine was substandard.

In addition, prices of most imported medicine are several times higher than those for products made in China. For instance, an imported medicine, which has already been replaced by a better type produced in other provinces, was 35 times as much as the China-made medicine.

Medical experts attribute the excessive imports to the multi-channel import and export trade system, poor management and shortcomings in the distribution of China-made medicine.

They say that unchecked imports of foreign medicine will cost China large amounts of limited foreign exchange, impose a heavy burden on patients and inhibit production by Chinese pharmaceutical factories.

The paper says the local government attaches great importance to the experts' opinion and has worked out measures to deal with the problem.

**Guangdong Reports Improvement in Grain Market**  
*HK0904035589 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 8 Apr 89*

[Text] The grain market supply shortage that has beset Guangdong for the past half year has now started to ease, and the marketable grain price has fallen somewhat. Guangdong is a grain-deficit province that needs to ship in large amounts of grain from elsewhere every year. Since last June, due to blockages in the grain channels into Guangdong, marketable grain has been in rather short supply. The market price of rice at the end of last year was 109 percent higher than last April.

In view of this situation, since last September the provincial party committee and government have adopted a number of policy decisions including increasing agricultural investment, stepping up shipments of grain from other provinces, and opening up the grain markets throughout the province. The province has also imported some grain from foreign countries. In this way, the market grain shortage has gradually eased. By the end of February, the price of marketable grain was falling, showing a drop of 4 percent compared with January; in some counties and cities the drop was 16 percent. The grain stock situation in the province is also better than predicted.

**Hainan Party Chief Denies Resignation 'Rumor'**  
*HK1004131489 Hong Kong HSIN WAN PAO in Chinese 10 Apr 89 p 4*

[Dispatch from Guangzhou: "Xu Shijie Denies in Guangzhou That He Intends To Resign; Says That Establishing the Second Tariff Zone Does Not Mean 'National Betrayal'"]

[Text] Guangzhou, 10 Apr—On the morning of 10 April, Xu Shijie, Hainan provincial party secretary, was interviewed by reporters in Guangzhou.

In answering reporters' question on whether the establishment of the sensitive second tariff zone would be deferred, Xu Shijie stressed that only by making Hainan more special economically than Shenzhen and other special economic zones, and wholly contracting projects

characterized by lower prices and lower taxes to investors, can interest in making investment in Hainan be aroused. Regarding "national betrayal," this is a misunderstanding of the second tariff zone. The sovereign rights are in our hands, and only operational rights are mastered by foreign businessmen. This is a new exploration in developing Hainan Province together.

When a reporter asked Xu Shijie whether he would resign, he answered with a smile: There is hearsay that I will resign. This is purely a rumor.

**Hunan Leaders Discuss Antiflood Precautions**  
*HK0904023389 Changsha Hunan Provincial Service  
 in Mandarin 2300 GMT 7 Apr 89*

[Excerpts] With the flood season in the Dongting Lake area now imminent, from 5 to 7 April Hunan party, government, and Army leaders Xiong Qingquan, Jiang Jinliu, Li Tiangeng, and Zhuo Kangning summoned leaders of prefectures, cities, and counties concerned and of relevant provincial departments to a meeting at Changde to discuss antiflood precautions in the lake region this year.

Vice Governor Zhuo Kangning pointed out on 5 April that judging by certain phenomena at present, this year there may be floods followed by drought, and the flood season may start earlier than usual. We must make full mental preparations. In view of the loopholes in antiflood work last year, Zhuo Kangning repeatedly emphasized that in antiflood work this year it is essential to step up the protection and management of projects and materials, and their misappropriation is absolutely prohibited. [passage omitted]

In a summation speech, provincial party committee Secretary Xiong Qingquan said that the people of the whole province, especially the party, government, and Army leaders at all levels, must seriously sum up the experiences and lessons of last year's antiflood work. [passage omitted]

He sternly pointed out that if major problems occur in antiflood work this year, it is necessary to hold accountable the leaders concerned and the persons involved, to the extent of taking legal action against them.

**Hunan Reports Improved Industrial Performance**  
*HK0904024389 Changsha Hunan Provincial Service  
 in Mandarin 2300 GMT 8 Apr 89*

[Excerpt] Hunan's industrial production rose in March, following a decline. Output value was 3.3 billion yuan, a rise of 5.2 percent over February and an increase of 9.5 percent over the previous March.

In the first 2 months of the year the province's industrial output value dropped by 6.1 percent compared with the same period last year. In view of this, the provincial party committee and government and the provincial

departments concerned immediately took countermeasures and supplied 1.3 billion kilowatt-hours of electric power in March, an increase of 2 percent over March last year. The provincial authorities also adopted the method of supplying materials first and requiring payment later, to ease the capital shortage problem in some enterprises. [passage omitted]

### North Region

**Beijing To Guide, Absorb Foreign Investment**  
*OW0804154189 Beijing Domestic Service  
 in Mandarin 1030 GMT 5 Apr 89*

[Text] Last year industrial enterprises in Beijing Municipality set a record in the use of foreign capital. This year, the municipality will actively create the conditions for further improving the investment environment for foreign firms.

In Beijing Municipality, 123 manufacturing joint ventures, cooperative enterprises, and wholly foreign-owned enterprises were approved last year. These enterprises invested a total of \$115 million. The pattern of investment was rather rational. All seven projects with an investment of \$5 million or more were in Beijing's key trades or supporting trades such as automobiles, electronics, foodstuffs, light industry, and textile enterprises.

The total industrial output value, sales income, profits, and taxes generated by the municipality's joint ventures, cooperative enterprises, and wholly foreign-owned enterprises in 1988 increased over 100 percent compared with 1987.

The Beijing municipal authorities have decided to continue absorbing foreign capital implementing contracts, building projects that have already been approved, and examining and approving new projects this year. The municipality will strive to readjust the industrial setup and the product mix in guiding foreign firms' investment. Foreign investment projects will be examined and approved in accordance with the principle of placing administration at lower levels and giving them equal responsibility and power.

Beijing Municipality is preparing to draw up the relevant policies to help joint ventures solve their practical difficulties in production and operation by supplying materials, funds, and energy.

**Beijing Town-Run Enterprises Score Achievements**  
*SK1004084189 Beijing City Service in Mandarin  
 1000 GMT 17 Mar 89*

[Text] The municipality's town-run enterprises have scored marked achievements in developing the export-oriented economy. They exported commodities worth more than \$200 million in 1988, a 63.3-percent increase over 1987.

In 1988 the municipal financial departments appropriated 16 million yuan from their working funds for the technical renovation of 45 enterprises that turn out export goods. This has promoted an increase in the production of export commodities.

The number of export enterprises throughout the municipality has now increased from 505 in 1987 to 600 at present, 29 of which have earned more than \$1 million annually. Four of these enterprises have been commended with the advanced title of exporting light industrial products.

In developing the export-oriented economy, a large number of town-run enterprises have readjusted their product structure, and their machinery and electric products have begun to enter international markets. According to the relevant information, the municipality plans to establish 100 new export-oriented town- or township-run enterprises this year.

**Beijing Launches Morality, Security Campaign**  
*OW0804224389 Beijing XINHUA in English  
1031 GMT 8 Apr 89*

[Text] Beijing, April 8 (XINHUA)—The Beijing municipal government has decided to launch a morality and social security campaign to welcome the forthcoming 40th anniversary of the founding of the People's Republic and the staging of the 11th Asian Games.

Li Qiyan, deputy secretary of the Beijing Municipal CPC Committee, said that the 2-year campaign will be focused on elevating the citizens' levels of morality and courtesy, improving the general mood of society, making the city cleaner and more beautiful, and stabilizing social security.

According to today's "BEIJING DAILY", the campaign was launched at a meeting of municipal leaders yesterday.

Li also said the city government will take measures to improve the standard of services, ease traffic congestion, bring pollution under control and crack down on criminals of all kinds.

**Beijing Cracks Down on Illegal Labor Market**  
*SK1004083689 Beijing City Service in Mandarin  
1000 GMT 17 Mar 89*

[Text] On the morning of 17 March, the Dongcheng District government organized more than 100 personnel in charge of enforcing the law from the departments of public security, industry and commerce, and labor affairs to consolidate and ban the illegal labor market located under the Jianguomen overpass.

During their activities, these personnel conducted centralized investigation over the several hundred itinerant male and female laborers and imposed a date for them to

return to their hometowns in line with the principle of conducting education among them. By 1600 that day, the district government took in 130 laborers.

The spontaneous labor market under the Jianguomen overpass has been active for 5 years. At first, the market was a place where women from outside areas gathered to seek jobs as housemaids, and the overwhelming majority of laborers in the place were women. This labor market was not thoroughly banned for a long time, and the maximum number of laborers in the market has reached 1,000. Currently more than 70 percent of these laborers are men and are chiefly laborers ready to undertake farming work. They come from 16 provinces and cities. Crimes such as robbery, human abduction and trade, and rape occur frequently in this market because of the chaotic situation caused by the complicated social background of these laborers. This market has seriously affected the capital's public security, traffic order, city appearance, and afforestation activities.

**Xing Chongzhi Visits Hebei Rural Areas**  
*SK0904114089 Shijiazhuang HEBEI RIBAO  
in Chinese 16 Mar 89 p 1*

[Text] According to the comprehensive dispatches from reporters and correspondents, Xing Chongzhi, secretary of the provincial party committee, conducted investigation and study in Xingtai and Handan Prefectures. During his investigation tours, he gave instructions to the local authorities in which he stated that efforts should be made to grasp economic work on the one hand, to build clean governments on the other hand, and to uphold the principle of achieving overall development.

From 11 to 14 March, Xing Chongzhi made his investigation and study tours among the grass roots-level units of Pingxiang, Renxian, Guangping, and Feixiang Counties as well as the city of Shahe and held dialogues with cadres and the masses during which he listened to briefings, made notes, and asked questions.

During the dialogue, Xing Chongzhi stated: The important aspect of party-building is the building of clean governments. We should make the economy prosperous and also have cadres perform their official duties honestly. The more prosperous the economy we achieve, the more we need honest performance by party and government cadres. These are inseparable. What we need now is to straighten out the relationship between them by grasping economic work on the one hand and conducting the building of clean government on the other hand. Xingtai Prefecture has upheld the principle of "grasping the work in the two fields simultaneously" and has set an example in the work of building clean government by proceeding from grasping the "hot point" and "difficult point" about which the masses have great complaints and concerns. Its work has also achieved a timely effect because its leading organs and cadres have set examples in their consolidation activities. They have accumulated many experiences in this regard. Localities across the

province are now learning from its experience. Based on this, efforts should be made to continuously grasp the work, to have every unit be responsible for its subordinate units in the work, and to continuously create new experiences so that the work of building clean government will be able to achieve deep development.

During the dialogue, Xing Chongzhi stated: In building clean government, leading personnel should set examples in the work and pay attention to the building of leading bodies. A good job must be done in managing cadres well and in having cadres who have performed their duties dishonestly be resolutely dismissed from their posts. Efforts should be made to foster typical cases for the work, according to which we should strictly deal with those who have taken advantage of power to seek personal gain. Currently, we should concentrate on managing well the departments of financial affairs, personnel affairs, the "seven institutions," and the "eight institutions." Methods adopted in this regard are to enhance system building, to establish various rules and regulations according to the actual situation, and to open administrative affairs to the public in order to actively receive the people's supervision. Some localities which have committed problems in appraising job titles should also adopt the methods of openness and supervision in dealing with them. We should not put aside the rules and regulations that have been formulated and should make all-out efforts to implement them. Efforts should be made to deal with the large number of cases concerning corruption, bribe-taking, and taking advantage of power to seek personal gain, and efforts should be made to adopt powerful measures to resolutely punish corrosive elements. By no means should we be soft-hearted in dealing with cases involving certain personnel when we learn about the existence of corrupt phenomena. We must earnestly deal with cases of misdeeds that the masses have reported to us.

During the dialogue, Xing Chongzhi stated: In building clean government, it is imperative to bring into play the vanguard and model role of party members. If no party members commit malpractices, it will be easy for us to eliminate corrupt phenomena. If each member plays a good role in this regard, it will be good for us in carrying out the work. Only by acting in unison and enforcing discipline strictly will our party be able to stabilize society and make the economy prosperous. Therefore, we should enhance education and enforce discipline strictly to have every party member set an example in work, strictly abide by the discipline, and serve the people wholeheartedly.

In talking about rural work during the dialogue, Xing Chongzhi stated: There are still many difficulties in the current rural work. However, we should not just cry about difficulties, but should find out where the difficulties exist and what the reasons for these difficulties are. We should also find out ways to overcome them. Leading government personnel should take personal charge of several aspects of rural work, organize full-time

cadres to earnestly grasp them, and set forth targets and demands for fulfilling the various aspects. They should also bring into play the leading role of party members in this regard. By having party members play a leading role, it will be easier for us to deal with problems in the fields of family planning, profit retention, and housing capital construction.

When discussing rural production, Xing Chongzhi stated: We cannot maintain a stable economy without agricultural production. While grasping industrial production, party committees and governments at all levels should make out-all efforts to grasp agriculture. The major tasks at present are to grasp the capital construction of farmland and water resources and to grasp the activities of coordinated services. Effort should be made to rely on policies, on science and technology, on input, and on services in order to make agriculture prosperous and to reinforce the reserve strength of agricultural development. In particular, efforts should be made to bring under strict control the land taken up by nonagricultural production and to stress the economic results of cultivation. We should adopt effective measures to deal with the cases of land utilization with substandard output or farmland that yields no harvest and becomes barren. We may withdraw this farmland and give it to able peasants. Leading personnel at all levels should successfully master the policies of agricultural development, do a good job in rendering coordinated services, bring the peasants' enthusiasm into play, and create a new excellent situation in simultaneously developing both industrial and agricultural production.

#### Inner Mongolia's Wang Qun Plants Trees

SK1104062389 Hohhot Inner Mongolia Regional Service in Mandarin 1130 GMT 10 Apr 89

[Text] On the morning of 10 April, more than 200,000 people from various social circles in the city of Hohhot went to mountain valleys, the countryside, and streets to take part in the voluntary campaign of planting trees.

During the activities, the leading personnel of party, government, and Army organs of the autonomous region and of the city of Hohhot planted trees on a new and large area on the Daqing Shan.

Hohhot City's Arbor Day falls on 10 April. Before 0900 that day, the leading comrades of party, government, and Army organs of the autonomous region and of the city of Hohhot, including Wang Qun, Bu He, Zhang Dinghua, Batubagen, Xu Lingren, Zhou Rongchang, Liu Yunshan, Yang Enbo, Yi Junhua, and Jia Cai, arrived by minibus at the Taonai Valley of the Daqing Shan to plant trees.

During the planting activities, Wang Qun, secretary of the autonomous regional party committee, heard the briefing on the afforestation situation on the Daqing Shan while he was digging holes for trees. He said to the leading comrades from the city of Hohhot that we should uphold the afforestation campaign unwaveringly and

that making the Daqing Shan green means that we want to restore the mountain's original outlook of beautiful scenery and clear stream water.

During the activities, while tending the planted saplings, Bu He, chairman of the autonomous regional people's government, said to the personnel beside him that in planting trees, we should first carefully organize the campaign and second enhance management and protection. We should pay the greatest attention to management and protection. Otherwise, the survival rate of trees will be very low and our loss will outweigh the gain.

Also joining in the tree planting activities on the Daqing Shan were leading comrades from the party, government, Army, and CPPCC [Chinese People's Political Consultative Conference] organs of the autonomous region, including Butegeqi, Sha Tuo, Liu Zhenyu, Pei Yingwu, Zhao Zihong, Li Guibin, Fang Chenghai, Wu Ligeng, Han Ming, Li Shulian, Yun Zaoguang, Chen Jie, Lan Qianfu, Yun Shufen, and Wu Lan.

### Northeast Region

#### **Heilongjiang Ceremony Honors Deceased Official** *SK0904115589 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 8 Apr 89*

[Excerpts] The ceremony to pay last respects to Comrade Wang Zhaozhi, vice chairman of the Heilongjiang Provincial People's Congress Standing Committee, member of the Standing Committee of the Central Supervision Commission of the Chinese Kuomintang Revolutionary Committee, honorary chairman of the Heilongjiang Provincial Committee of the Kuomintang Revolutionary Committee, and a noted patriotic democratic personage, was held in Harbin on the morning of 8 April.

The remains of Comrade Wang Zhaozhi were surrounded by flowers and evergreens. Principal leaders of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial Chinese People's Political Consultative Conference [CPPCC] Committee, the provincial Discipline Inspection Commission, and the provincial military district, including Sun Weiben, Shao Qihui, Wang Zhao, Wang Luming, Zhou Wenhua, Wang Haiyan, Chen Yunlin, Qi Guiyuan, Ma Guoliang, Xie Yong, Zhang Xiangling, Wang Jun, He Shoulun, Zhang Ruoxian, Wang Yusheng, Ji Hua, Du Dianwu, Du Xianzhong, Huang Feng, Zhang Li, Wang Fei, Guo Shouchang, and Sun Lianju; Li Jianbai, member of the Standing Committee of the National People's Congress [NPC]; and provincial-level retired veteran cadres, including Zhao Dezun, Chen Jianfei, and Chen Yuanzhi, attended the ceremony to pay their last respects to Comrade Wang Zhaozhi.

Also attending the ceremony were the relevant leaders of various democratic parties, mass organizations, and cities and counties in the province; relevant leaders of Liaoning and Jilin Provinces; and leaders of Haicheng City, Wang Zhaozhi's ancestral home.

Wreaths sent by the United Front Work Department of the CPC Central Committee, the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, the general offices of the NPC and the national CPPCC Committee, the Heilongjiang provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, the provincial Discipline Inspection Commission, and the provincial military district and from the leading comrades of our province and from the provinces of Liaoning, Jilin, Shaanxi, Shandong and Anhui, were laid at the hall where the people paid last respects to the deceased.

Friends of Comrade Wang Zhaozhi, including Yan Mingfu, Zhu Xuefan, Gu Mu, Xue Ju, Li Zhengcai, Guo Weicheng, and Li Lian, sent messages of condolence and wreaths.

The ceremony to pay last respects to Comrade Wang Zhaozhi was presided over by Zhang Ruoxian, vice chairman of the provincial People's Congress. Zhou Wenhua, deputy secretary of the provincial party committee, read Comrade Wang Zhaozhi's life history. [passage omitted]

After the ceremony, Comrade Wang Zhaozhi's remains were taken under escort to the Xiangyangshan Cemetery for Revolutionaries for cremation.

#### **Heilongjiang Develops Use of Foreign Funds** *OW1004204589 Beijing XINHUA in English 1501 GMT 10 Apr 89*

[Text] Harbin, April 10 (XINHUA)—Heilongjiang Province in northeast China, which set a record in using foreign capital last year, plans to absorb more foreign funds this year, according to Deputy Governor Du Xianzhong.

Last year saw the province conclude contracts for 91 foreign-funded projects involving more than 125 million U.S. dollars, up 22.6 percent over the previous year.

Heilongjiang plans to use more than 100 million U.S. dollars of foreign capital this year and increase its contracts for foreign projects, foreign labor cooperation, technology exports and construction of plants overseas. Its foreign-funded enterprises are expected to export goods worth at least 15.1 million U.S. dollars this year, double last year's figure.

The deputy governor said Heilongjiang started foreign economic and technical cooperation later than other provinces.

By the end of 1988, the province had approved 318 foreign-funded projects involving 524 million U.S. dollars. Included were 288 projects with direct foreign investment involving 273 million U.S. dollars.

In addition, the province has used loans offered by foreign banks and governments to import advanced technology and equipment for its more than 1,000 industrial enterprises.

According to Du, one third of the foreign-funded enterprises, which use local resources as raw materials, have gone into operation.

When all the 318 enterprises go into operation they are scheduled to export 100 million U.S. dollars-worth of goods a year, Du added.

**Jilin Holds Meeting on Combating Crime**  
*SK0904121289 Changchun Jilin Provincial Service  
in Mandarin 2200 GMT 6 Apr 89*

[Text] The provincial work conference on emphatically dealing blows to crime, prohibiting the spread of hideous social phenomena, and consolidating public security, sponsored by the provincial party committee and the provincial people's government, concluded in the city of Jilin on 6 April.

Gao Wen, deputy leader of the provincial political and legal leading group and vice governor of the province, presided over the work conference. At the beginning of the conference, he delivered a speech in which he profoundly elaborated on the importance and necessity of the conference.

During the conference, (Wei Minxian), deputy secretary of the Jilin City party committee, and (Su Lice), director of the city public security bureau, delivered reports introducing the experience they gained in emphatically dealing blows to crime, prohibiting the spread of hideous social phenomena, and consolidating public security. Li Changjiu, director of the provincial public security bureau, also delivered a report informing the participants of the province's situation in public security.

During the conference, Du Qinglin, leader of the provincial political and legal leading group and deputy secretary of the provincial party committee, delivered an important speech. After summarizing and analyzing in his speech the work done by the city of Jilin in unifying its action to deal blows to crime and the province's situation in public security, he made emergency arrangements for the next phase in the work of unifying action to emphatically deal blows to crime, to prohibit the spread of hideous social phenomena, and to consolidate public security throughout the province.

In his speech he pointed out: From now on we should spend 2 months on launching the unified campaign of emphatically dealing blows to crime, prohibiting the

spread of hideous social phenomena, and consolidating public security throughout the province so as to puncture the arrogance of criminal elements, to halt the spread of hideous social phenomena, and to change the chaotic situation in public places and in some units. Efforts should be made to create stability in public security as a whole and to strive to enable the public security situation to be better than in 1987.

In his speech, Du Qinglin pointed out: The emphasis of the unified campaign of emphatically dealing blows to crime, prohibiting the spread of hideous social phenomena, and consolidating public security will be placed on poor areas, industrial and mining areas, areas along traffic lines, towns which have trade fairs with complicated business, and departments and units whose order becomes chaotic. In waging struggles, the emphasis of dealing blows should be placed on criminals who flee from the crimes of swindling, robbery, hold-ups, narcotics trafficking, smuggling, trading in women and children, and seducing or forcing women to engage in prostitution. Efforts should also be made to deal blows at serious criminal elements engaging in violence and hold-ups, appalling robbers, gangsters who disturb the public order, leaders or chief convicts of criminal rings, and locally prominent criminal elements. The emphasis of concentrating on prohibiting the spread of hideous social phenomena should be placed on the manufacture and sale of obscene articles, prostitution, [words indistinct], and group gambling and on thoroughly eliminating rifles, ammunition, and explosive articles which remain in residents' hands as well as knives and daggers, which are under control. The emphasis of concentrating on consolidating public security should be placed on cultural markets, various industries and trades, public places, places having complicated situations, main traffic lines, and units with chaotic public security. We should also consolidate the floating or scattered populations and realistically enhance management over them.

In his speech, Du Qinglin emphatically pointed out: The purpose of emphatically dealing blows to crime, prohibiting the spread of hideous social phenomena, and consolidating public security is to pave a road for carrying out the overall consolidation of public security in a comprehensive way. The fulfillment of various measures set forth in the comprehensive consolidation of public security is the focal point of the unified campaign of dealing blows to crime, prohibiting the spread of hideous social phenomena, and consolidating public security and is the fundamental point of stabilizing social peace and order.

In concluding his speech, Du Qinglin stated: The inevitable responsibility of party committees and governments at all levels is to do a good job in organizing well the unified campaign in this regard. Leading comrades of party and government organs at all levels should have a high sense of responsibility, make up their mind to be successful in this regard in order to stabilize their local social order, truly take personal charge of public security

work, truly put the work on their important schedule, assign the duties and give work impetus to their subordinate units at all levels, and truly create a situation in which social peace is managed by the society as a whole and the comprehensive consolidation of public security is grasped by the people in a comprehensive way.

**Jilin's He Zhukang Addresses Greening Commission**  
**SK1104050189 Changchun JILIN RIBAO**  
*in Chinese 17 Mar 89 p 1*

[Excerpts] How do we realize the fighting objective of using 10 years to make the land of Jilin green? He Zhukang, secretary of the provincial party committee, said: The key lies in the understanding and determination of the leaders at all levels. It is necessary to study the experience of Guangzhou and handle the work on the basis of one's own initiative. All leading cadres should run a greening spot. When running the greening spots, leading cadres should not just pass their words from one level to another. Instead, they should show each level their solid work. The provincial party committee and government should first advance the work from their own initiative, explore experience through personal practice, and guide the overall work.

Comrade He Zhukang said: When selecting the greening spots, leading cadres must pay attention to their definite demonstrative nature. The scope of the spots should not be too big, and though there should be definite difficulties, quick benefits can be yielded. Leading cadres should persist in mainly building forests in their greening spots, combine comprehensive improvement with supporting the localities to eliminate poverty and become rich, and engage in farmland construction and economic development, as well as work out plans and give consideration to overall arrangements simultaneously. This is also a good way to establish contacts with the masses and to maintain close relations with cadres and the masses.

He stressed: Leading cadres should not run the greening spots in name only, and should not practice formalism or do perfunctory work. They should make public their greening spots and place themselves under mass supervision. They should also conduct investigation and appraisal. The advanced units should be commended and the bad ones should be criticized. This work should also be considered as one of the tasks of appraising cadres' performance.

This statement was given by comrade He Zhukang at the ninth enlarged plenary session of the provincial greening commission, which just ended. At the session, the provincial greening commission implemented the tasks of afforesting and making 169,000 mu of land green among the principal leading comrades of the provincial party, government, and Army organs, and urged them to fulfill the tasks this year or next. [passage omitted]

The 2-day ninth enlarged plenary session of the provincial greening commission ended on 13 March. Hui Liangyu, chairman of the provincial greening commission and provincial vice governor, delivered a report on our province's greening situation and on future tasks. During the session, a leader of Changchun City gave an account of the tentative plans of the Changchun City party committee and government on grasping the building of a "forest city," and the progress of the work, which aroused the great interest of the participating delegates. They fully affirmed their work.

**Quan Shuren Visits Liaoning Townships, Villages**  
**SK1104031389 Shenyang LIAONING RIBAO**  
*in Chinese 18 Mar 89 p 1*

[Text] From 1 to 5 March, Quan Shuren, secretary of the provincial party committee, went deep into Tieling, Kaiyuan, and Changtu Counties; conducted investigations and study among five townships and six villages there; and successively held dialogues with party cadres of cities, counties, townships, and villages and ordinary peasants on the issue of how to conduct the party work in the rural areas in line with the principle of "grasp with two hands"—grasping commodity economy with one hand and the work in the ideological and political field with the other. He conducted study together with city, county, and township comrades while making investigations. He pointed out: To carry out the principle of "grasp with two hands," party committees should first grasp party-building, upgrade party organizations' combat effectiveness, and bring party members' exemplary vanguard role into play. To grasp party-building, we should constantly focus on the key link of developing the socialist commodity economy. Party members in the rural areas should bring into play their exemplary vanguard in "two fields"—implementing the party's principles and policies and guiding the masses to seek common wealth. Grasping the construction of grass-roots party organizations is the key to grasping party-building. In line with the new situation of conducting reforms, opening to the outside world, and developing the commodity economy, we should establish and perfect party organizations' activities and work systems. At present, we should pay prominent attention to the improvement of party style. To implement the principle of "grasp with two hands," we should first attend to party-building. Only when party-building is well enhanced can the principle of "grasp with two hands" be better implemented. After analyzing two different typical cases, Comrade Quan Shuren came to this conclusion. Through launching the campaign of seeking common wealth sponsored by the township party committee, Changtu County's Shibajiazi township has not only accelerated the development of the commodity economy but also improved its public order. There have been no fighting or gambling activities. Some civil disputes and some questions due to family discord were solved by the party organization. Some 22 party members in a village of Kaiyuan County's Jingouzi township held the post of party branch secretary in turn but failed to do their job

well. The village's work has still lagged behind. The people in the village had no confidence in them. So, they elected a nonparty peasant as village head. Comrade Quan Shuren said: These two examples indicate that where party-building is well grasped, party leadership is well enhanced, and party members bring their exemplary vanguard role into play, the commodity economy can be developed at a faster speed, party style and social order can be improved, and the principle of "grasp with two hands" can be well implemented.

To attend to party-building, we must constantly focus on the key link of developing the socialist commodity economy. Comrade Quan Shuren made this observation when he visited party member Yu Xinglong in Kangjia village of Changtu County's Shibajiasi township. Yu Xinglong guided a group of villagers to develop vegetable production through application of a plastic sheeting covering technique. The number of households engaged in the production increased from 5 to 19. Last year, the per capita income of the households was 2,000 yuan. Now, another eight households want to join the group. Comrade Quan Shuren said: The reason why such an ordinary party member can attract the masses is that he guides the masses to seek common wealth in the course of developing the commodity economy. This indicates that only when we focus on developing the socialist commodity economy can the party gain leadership, cohesive force, and attraction, and bring its key and leading role into full play. The reason why some township and village party organizations lose their prestige among the masses is that the party organizations' activities are divorced from the key link of developing socialist commodity economy. We must sum up the experiences and draw lessons from these experiences.

Rural party members' exemplary vanguard role in the new situation should be embodied in two fields. This ideology was repeatedly stressed by Comrade Quan Shuren during his investigations. He said: 1) Rural party members should take the lead in implementing the party's principles and policies and the state law and decrees and fulfilling various purchasing tasks assigned by the state. 2) They should guide the masses to develop the commodity economy and take the path of seeking common wealth. Playing an exemplary vanguard role in these two fields is a new higher demand on the Communist Party members under the new situation. In particular, we must have not only awareness but also scientific knowledge and ability in order to guide the masses to develop the commodity economy. Thus, this requirement asks Communist Party members to upgrade their exemplary vanguard role to a new level. The small groups of the party and the masses making concerted efforts to seek common wealth have provided party members with a stage of bringing their exemplary vanguard role into full play. Wang Zhendong, a Communist Party member in Shibajiasi township, guided 25 groups in 6 villages to develop flood land into 1,100 mu of paddy fields so that the peasants who used to eat coarse grain food for several generations began to have rice.

Comrade Quan Shuren extended this example and further pointed out that bringing into play Communist Party members' exemplary vanguard role in two fields is suitable to the demand of the development of rural productive forces, embodies the demand of the party's basic line, and can produce gigantic social effect and economic results.

It is necessary to upgrade party members' quality and to attend to the education on communist ideals and belief. Comrade Quan Shuren pointed this out after hearing the report made by Wang Jingcheng, secretary of Kaiyuan County's Jingouzi township party committee. Due to the failure to withstand the trials of developing the commodity economy, some individual party members in this township prefer money to the party. Whenever they were asked to participate in party activities, they would ask "Do you give us any money?" "We would not participate in the activities if no money is given to us." Comrade Quan Shuren maintained: Not only are some party members in the rural areas involved in these phenomena; so are the party members in the urban areas and in some organizations. In particular, some party members in the circulation field fall captive to money due to their failure to withstand the trials in the course of developing the commodity economy. Under the new situation of developing the commodity economy, higher demands are set on the quality of Communist Party members. Of course, we should first transform the concept of the small-scale peasant economy, enhance the awareness of the commodity economy, upgrade labor techniques, and strengthen scientific knowledge. However, we should upgrade party members' ability to combat corruption. He stressed that it is necessary to attend to the education on ideals and belief among party members. The problems concerning ideals and belief are continual serious ones in the course of developing the commodity economy. If Communist Party members pay no attention to communist ideals or morality, the negative aspects will certainly corrode their souls. He asked that in appraising party members, we educate party members to persist in accurate political orientation and ideologically and politically persist in the standards for party members. In appraising party members, we should strictly grasp the standards for party members and persist in the principle of giving up the old and adopting the new. This was stressed by Comrade Quan Shuren after he hearded the reports made by several units which appraised party members through discussions on a trial basis. He said: In appraising party members, we should persist in the requirement of strictly administering party affairs. The party members who are unwilling to be party members should be dismissed from the party. Those who fail to conform to the standards for party members and are unable to transform themselves should be persuaded to withdraw from the party, and their names should be removed from the roll. Instead of tolerating them, we must set our sight on educating party members and upgrading their quality. This is conducive to upgrading party organizations' combat effectiveness and the party's prestige. From now on, we must pay attention to the

structure of newly recruited party members. At present, party members in the rural areas are generally old in their average ages and poor in their educational levels. This does not suit the demands of guiding the masses to develop the commodity economy. During the course of giving up the old and adopting the new, we should recruit party members from among the young and middle-aged in society, who possess socialist awareness, education, a sense of discipline, and requirements for party members.

Comrade Quan Shuren was quite pleased after seeing the changes in Kaiyuan County's Xiaosuntai village as a result of implementation of the method of selecting and inviting cadres from among the best through public and equal competition. He pointed out: The key to implementing the principle of "grasp with two hands" hinges on grasping the construction of grass-roots party organizations. Selecting and inviting cadres from among the best through public and equal competition is a good experience in strengthening the construction of grass-roots leading bodies. In the past, the village's economy developed at a slow pace due to the disunity within the party branch, and the cadres and party members failed to enjoy high prestige among the masses. Since the competition mechanism was introduced through readjusting the leading bodies in 1988, the party branch and the villagers' committee have become the core of the two civilizations. Great changes took place throughout the entire village within a year. Comrade Quan Shuren said that their practices have several good advantages. 1) Cadres enhance their sense of responsibility and are inspired with enthusiasm. With the thinking of "holding the post of cadres with the approval of higher levels," they assumed responsibility only to the higher levels but not to the masses, and even held back unpleasant information and told lies to cheat the higher levels. The cadres who are invited through competition changed the thinking of "holding the post with the approval of higher levels" to that of "holding the post with their own will." They assume responsibility not only to the higher levels but also to the masses. They noticeably enhance their sense of responsibility. 2) The previous old method of selecting cadres according to leaders' impressions has been changed, and the skilled persons with ability and prestige among the masses can enter the leading bodies. 3) The process of appointment through competition is a process of the people from higher to lower levels implementing the local plans on the construction of the two civilizations. Thus, it is conducive to mobilizing the cadres and the masses to make concerted efforts to realize planned targets. 4) The construction of democratic politics has been promoted. The masses exercise their right to select "public servants" and directly participate in the construction of political power, and the cadres should accept the supervision by the masses. This is conducive to upgrading the quality of cadres.

We should improve the party's activities and work systems and enhance the management of party members in order to suit the demands of the new situation of

developing the commodity economy. Comrade Quan Shuren praised some townships and villages in Tieling for implementing the systems of fixing a day to launch party activities, regularly appraising party members through discussions, higher-level party organization responsible persons participating in the regular meetings of party organizations at the next lower levels, and organizing groups of party members and the masses to seek common wealth. He particularly pointed out: The party's activities depended on production teams in the past. After the introduction of the system of contracted responsibility on a household basis with payment linked to output, the production teams—a carrier of the party's activities—disappeared. Meanwhile, common wealth-seeking groups play a role as a new carrier of the party activities. Party branches and leading party groups in the rural areas should launch their activities together with the common wealth seeking groups. In line with the reality in which under the new situation of developing the commodity economy, some party members work or engage in trade somewhere away from home and they cannot participate in organizational activities, he urged organizational departments to work out rules: When party members work somewhere away from home, they should bring temporary membership credentials with them. Wherever they go, they must participate in the local party activities. At the same time, the local party organizations should accept and manage the party members with temporary membership credentials no matter where they come from. When the party members leave for their homes, the local party organizations should make appraisals for them and mail the appraisals to the party branches which they originally belonged to. A system must be formed in this regard.

Comrade Quan Shuren also pointed out during his investigations that attending to the improvement of party style is a key link concerning strengthening party-building at present. He said: To attend to party-building and improve administrative honesty, at present, we should place extreme emphasis on carrying forward the party's fine traditions; conscientiously conduct criticism and self-criticism; keep close contacts with the masses; persist in the ideological line and work style of seeking truth from facts; and oppose the practice of lying, formalism, and the tendency to boast and exaggerate.

**Liaoning's Quan Shuren Plants Trees in Fushun**  
*SK0904073789 Shenyang Liaoning Provincial Service  
in Mandarin 2300 GMT 8 Apr 89*

[Text] On 8 April, Quan Shuren, secretary of the provincial party committee, led some comrades of the provincial party committee organs to (Weidagou), which is situated in the northern part of (Gaoer) Shan in Fushun, to participate in the tree-planting activity which was the second phase of construction for the forest belt around the city of Fushun.

A little after 0800, Quan Shuren, secretary of the provincial party committee, and the principal leaders of the five major leading bodies of Fushun city and office

cadres, totaling more than 2,000 people, carried spades and saplings and walked up a mountain slope. Comrade Quan Suren dug a hole and put a pine sapling into it. Then he filled the hole with earth and pressed the earth firmly with his feet. He planted more than 20 trees.

He told the reporters who came there to collect news: Our province has now put forward a plan, that is, by the end of this century we should basically make all the barren hills in our Liaoning Province green. If several thousand million mu of barren hills in our Liaoning are planted with trees, Liaoning's ecological environment will greatly improve. The eastern mountainous areas are the places of origin of our Liaoning's water resources. The very planting of trees means grasping water and grain.

**Liaoning Industrial Output Value Increases**  
*OW0904150089 Beijing XINHUA in English*  
*1247 GMT 8 Apr 89*

[Text] Shenyang, April 8 (XINHUA)—The industrial output value of Liaoning Province, which is regarded as the heart of China's heavy industry, reached 20.2 billion yuan (about 5.5 billion U.S. dollars) in the first three months of this year, 5.6 percent more than in the same period of last year.

A senior official from the provincial government said that this result was much better than expected.

After the central government decided to put brakes on the economy last year, Liaoning Province found it particularly difficult to get supplies of energy, funds and raw materials for the development of its heavy industry.

Deputy Governor Zhu Jiazheng told XINHUA that his government had to rescind support for some enterprises in order to concentrate on the most efficient ones.

Since the beginning of this year, efforts have been focused on developing the production of plastic sheeting, chemical fertilizers, pesticides and other commodities for agricultural use.

Priority has been given to the production of commodities for export, of which the output value has increased every month so far this year. It increased by 16 percent in the first three months, as against the same period last year.

Attention has also been paid to increasing the production of people's daily necessities and the commodities in short supply. This has helped to stabilize the supply and prices of manufactured goods for daily use, non-staple foodstuffs and durable goods such as color TV sets and refrigerators, with the exception of cotton textiles and knitwear.

Under the adjusted policy, Zhu said, some enterprises which had fallen into a vicious circle of losses have been merged with others or are waiting to be sold.

He added that if everything goes according to plan the province's industrial output value is expected to reach 111 billion yuan this year, some eight percent more than last year.

**Liaoning Establishes Computer Center in Dalian**  
*OW1004233489 Beijing XINHUA in English*  
*1603 GMT 10 Apr 89*

[Text] Dalian, April 10 (XINHUA)—The National Training Center for Microelectronic Technology Application and Development, the first of its kind in China, was set up here today.

The center will train technicians in all aspects of computer science, especially as related to industrial application. The first course opened here today.

**Northwest Region**

**Qinghai Facing 'Extremely Grim' Capital Problems**  
*HK1104032389 Xining Qinghai Provincial Service*  
*in Mandarin 2300 GMT 10 Apr 89*

[“Masses’ Forum” article by (Qin Zhe): “Analysis of Qinghai’s Capital Situation”]

[Excerpts] During the 1st quarter of this year, deposits in Qinghai's banks declined by 287.16 million yuan compared with the beginning of the year, while loans of all types increased by 108.48 million yuan. Due to the decline in deposits and increase in loans, the banks' debit balance rose to 1,034,940,000 yuan. The amount of currency withdrawn from circulation during the quarter was 38.82 million yuan less than in the same period last year. The capital shortage is increasing all the time and the supply-demand contradiction is becoming more and more prominent.

According to surveys, this state of affairs will become still more serious during the 2d quarter. This is because the enterprises will want to expand production, commerce will increase stocks, and work will continue on building and commissioning some capital construction and technological transformation projects. It is estimated that further loans of at least 1 billion yuan will be required this year. Judging by the scale of loans approved by the bank head offices for Qinghai this year, there will be a shortfall of about 400 million yuan. In addition, the enterprises cannot achieve much increase in their deposits at present, while the masses' uneasiness over price rises has not yet completely disappeared. Hence the province's capital situation this year is extremely grim.

The key to easing this contradiction lies in increasing deposits. The first task now is to rapidly reverse the trend of declining deposits. We must devote great effort to grasping urban and rural savings deposits, which form the main source for credit capital and so on.

According to calculations, there are about 800 million yuan in circulation in Qinghai. As long as we adopt effective measures, it is possible to achieve a relatively big increase in savings deposits. In this respect, the banks must start by improving service, [words indistinct] and simplifying procedures. [passage omitted]

Of course, in doing this, it is essential to gain the attention and support of the whole of society. The banks must be helped to resolve the practical difficulties in savings. People should deposit in the banks the money they are not using for the moment. Only thus can we ease the contradiction of the big capital shortfall and support smooth development of the province's economy.

**Shaanxi Governor Views Economic Problems**  
*HK1004021789 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 10 Apr 89*

[Excerpts] The Shaanxi provincial economic work conference concluded yesterday. The meeting formulated specific policy measures for overcoming the current outstanding difficulties in industrial and communications production and promoting the province's economic development amid readjustment. [passage omitted]

Governor Hou Zongbin spoke at the conclusion of the meeting. After expounding on the importance and possibility of the industrial and communications enterprises tapping internal potentials, he pointed out that tapping internal potentials and improving economic returns while carrying out improvement and rectification constitute the core task in the enterprises this year. There are very great potentials in Shaanxi's industrial and communications enterprises. Last year the all-personnel labor productivity in enterprises under whole-people ownership in the province was only 81 percent of the national average. If we can raise this to the national average, we will be able to increase the effective supply value by 4.4 billion yuan.

Last year the realized profits and tax per 100 yuan of capital in Shaanxi industrial enterprises under whole-people ownership covered by the local budget were 4.95 yuan below the national average. If we could raise them to the national average, we could create an additional 550 million yuan in profits and tax.

From these two indices, we can see that there are great internal potentials to be tapped.

Hou Zongbin went on to point out that we should set to work to tap internal potentials and improve economic returns in 10 aspects: Deepen enterprise reforms and strengthen enterprise management; readjust the product mix; improve the quality of the personnel; promote technological progress; carry out stock-taking; speed up capital turnaround; increase foreign exchange earnings from exports; improve the rate of use of raw materials; reduce the rate of reject products; and promote mass emulation activities. [passage omitted]

**Shaanxi Views Supply, Demand Contradictions**  
*HK1004095489 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 9 Apr 89*

[Text] The industrial and communications output of our province rose at a relatively high rate during the first quarter of this year, but supply-demand contradictions in capital, energy, and raw materials have become sharper at the beginning of the second quarter and some trades and enterprises are expected to face more difficulties.

In the first quarter of the year, the output value of enterprises at or above the township level throughout the province was 5.47 billion yuan, an increase of 13.6 percent over the same quarter of the previous year. Meanwhile, industrial and communications enterprises also achieved better economic results. In the first 2 months of the first quarter, enterprises in the local budgets of the province reaped 290 million yuan, representing a rise of 54.6 percent over the same period of the previous year. The situation in which enterprises used to suffer great losses in the first few months of a year was not seen this year. In addition, production of some weak industries such as coal, power and raw materials was also comparatively satisfactory and the output of readily marketable commodities increased by a big margin.

Nevertheless, since the start of the second quarter of the year, difficulties confronting industrial and communications enterprises are unlikely to be ironed out, and instead are growing. The funds shortages for industrial enterprises will leap from 1.5 billion yuan at present to 2 billion and there will be a power shortage of 2.5 billion kilowatt-hours this year, affecting the industrial output value by 4 billion yuan. Meanwhile, the coal shortage will reach 3.5 million tons, while the supply of some major raw materials will become more difficult. Should these ever-growing contradictions not be dealt with in a proper way, production of some trades and enterprises will encounter more difficulties.

**Shaanxi Official on Improving Theoretical Work**  
*HK1004042689 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 8 Apr 89*

[Text] It is necessary to strengthen and improve theoretical work to provide a powerful backing and guidance for reform and construction. This was emphasized by provincial party committee Deputy Secretary Mou Ling-sheng at a provincial theoretical work conference.

Mou also pointed out: The present practice of reform and construction strongly demands theoretical knowledge and guidance. Theoretical work must be adapted to the new situation and unfailingly serve the reform and opening up policy and the building of the two civilizations as well. Proceeding from the current actual conditions, the following points must be stressed in the ideology guiding theoretical work. First, Marxism must be unwaveringly regarded as the foundation guiding our work in all fields. To strengthen the research, publicity

and education in Marxist theory, we must: 1) View Marxism with an eye for the course of its development to avoid the tendency of applying or mechanically copying foreign theoretical viewpoints. 2) Correctly understand and publicize Marxism to guard ourselves from taking a one-sided approach to problems. 3) Improve the contents and methods of theoretical education in line with the new situation in an effort to enable Marxism to return to reality and to the masses of the people so that it will become a real weapon in understanding the world and changing it for cadres and the masses. Second, the focus of theoretical work must be shifted to approaching major problems we have encountered in the reforms and economic construction at the present time, and we must have a deeper understanding of the situation in the entire province and all prefectures as well so that our policy will be made on a scientific basis. In the course of improving the economic environment and rectifying the economic order, theoretical work should be geared to all complicated problems we are facing now so that we will be able to sum up experience and draw lessons on the theoretical plane, and adopt scientific countermeasures and provide a scientific basis to leadership departments at different levels to enable them to formulate correct policy and avoid blindness to the province's reform and construction. Third, attention must be paid to the theoretical studies of building a strengthened socialist culture. To achieve this, first we must neither absorb all of traditional culture uncritically nor nihilistically set out to eradicate it. Second, we must take a correct attitude toward foreign advanced culture in the spirit of reform and opening up.

**Radio Calls for Greater Regulation in Xinjiang**  
*HK1004135489 Urumqi Xinjiang Regional Service  
in Mandarin 1230 GMT 9 Apr 89*

[Station reporter's commentary: "It Is Necessary To Reinvigorate the Region's Machinery and Electronics Industry by Strengthening Macroeconomic Regulation and Control and Planning as Well"]

[Excerpts] Thanks to the reform policy, the machinery and electronics industry of our region has extricated itself from its closed and rigid structure and has developed from the domestic-oriented structure to an export-oriented one. Meanwhile, some encouraging changes have taken place in the economic mechanism and economic returns of the industry.

During the interim when the old structure is giving way to the new, the machinery and electronics industry of our region has been out of macroeconomic control to a certain extent and has been developing blindly. [passage omitted]

Such a situation warrants our attention. The departments concerned must promptly become aware of the problems that the machinery and electronics industry of our region is facing, and adopt effective measures to conduct a thorough investigation into the products of the machinery and electronics industry. Some factories that scramble for energy and raw materials but produce low-quality products and achieve poor economic results should be shut down or transferred to the manufacture of other products. Meanwhile, proceeding from the actual conditions of our region and to meet the demand in the region, the development of the machinery and electronics industry must be subject to the strategy for the region's economic development and the industry must produce more technical equipment for large-scale agriculture; energy; communications; and light, textile and food industries of our region and must produce more readily marketable commodities for the region's market. To strengthen macroeconomic regulation and control over the machinery and electronics industry, it is essential to plan well through thorough investigation and study. Meanwhile, efforts must be made to organize some enterprise groups with a few good enterprises as the main body to step up the readjustment of the product mix and strengthen the management of the industry so as to reinvigorate the machinery and electronics industry of our region as early as possible.

**Petroleum Headquarters Set Up in Xinjiang**  
*HK1104043289 Urumqi Xinjiang Regional Service  
in Mandarin 1230 GMT 10 Apr 89*

[Excerpts] The Tarim Petroleum Prospecting and Exploitation Headquarters was officially set up in Korla on 10 April. [passage omitted]

Li Tianxiang, vice president of the China National Petroleum Corporation, proclaimed the founding of the headquarters at the inaugural ceremony. Wang Enmao, vice chairman of the National CPPCC [Chinese People's Political Consultative Conference] Committee; Wang Tao, president of the China National Petroleum Corporation; and its vice president, Zhou Yongkang, who is also commander of the Tarim Petroleum Prospecting and Exploitation Headquarters, spoke at the ceremony. Song Hanliang, Tomur Dawamat, Amudum Niyaz, Zhang Sixue, Ba Dai, and other regional party and government leaders attended the ceremony. Wang Enmao, Wang Tao, Song Hanliang and Tomur Dawamat presented awards to oil workers who had fought on the oil front in Tarim and spoke highly of their spirit of great sacrifice.

**Further on Sports Exchange Agreements, Reaction**

**Gymnasts To Compete in Beijing**

OW0704145589 Beijing XINHUA in English  
0834 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Gymnasts from China's Taiwan region will use their customary Chinese version of "Zhonghua TaiBei" to compete in the forthcoming Asian junior gymnastics championships slated for April 21-23 here.

He Zhenliang, vice president of the Chinese Olympic Committee (COC), made this announcement at a press conference here Friday.

The Asian junior gymnastics championships will see athletes from Taiwan compete on the mainland for the first time since 1949 when the People's Republic of China was founded.

It will also be the first of the 11 Asian championships to be held in China this year as warm-up contests for the 11th Asian Games in 1990.

A total of eight countries and regions have sent their entries to the Asian gymnastics tourney. They are Chinese Taipei, the Democratic People's Republic of Korea, Japan, Iran, Iraq, India, South Korea and host China.

He Zhenliang told the press that he and the other officials of the Olympic Committee had talks with Li Ching-hua, secretary general of the Chinese Taipei Olympic Committee, in Hong Kong on April 4-5 on the Chinese version of the "Chinese Taipei" approved by the International Olympic Committee to be used by sports teams from the Taiwan region competing in international competition on the mainland.

He said: "Through friendly negotiations and in the spirit of seeking common ground while reserving differences, the two sides have agreed that sports teams and sports organizations from the Taiwan region shall come to the mainland for competitions, conferences or other sports activities in accordance with the relevant resolutions of the International Olympic Committee, and that the Chinese Olympic Committee and organizing committees of competitions or conferences, that is, the host, will respect the Chinese version customarily used by Taiwan and shall call it 'Zhonghua TaiBei' on official occasions during competitions or conferences."

He stressed that "this is a major development in the sports exchanges between the two sides of the Taiwan Straits. It will give a great impetus to the promotion of brotherhood and mutual understanding among the compatriots on the two sides of the strait."

The COC vice president added that "as hosts, we will provide all conveniences for the sports team and other personages from Taiwan region so that they will enjoy the days and have every facility for competition or work during their stay in the mainland."

Concerning the participation of the Chinese Taipei Olympic Committee in international competitions, he reviewed that the International Olympic Committee (IOC) made a special resolution as early as 1979. "Providing that its English name shall be 'Chinese Taipei,' and it shall use the flag and anthem approved by the IOC. [sentence as received] Other international sports organizations have made similar resolutions accordingly."

**Basketball Team To Go to Mainland**

OW0804131489 Beijing XINHUA in English  
1040 GMT 8 Apr 89

[Text] Bonn, April 7 (XINHUA)—Representatives of China and Chinese Taipei at the International Basketball Federation (FIBA) congress in Munich made a joint announcement that Chinese Taipei would send its team to the Asian men's basketball championship later this year in Beijing.

This would be the first ever basketball team from Taiwan since 1949 when the People's Republic of China was founded, to compete in China's mainland.

The Asian championships will be held this September.

The announcement was made by Zhang Changlu from China and C.K. Wu from Chinese Taipei, who are participating in the FIBA congress beginning on Friday.

Delighted with the news, two Taipei-based reporters in Dortmund for the world table tennis championships rushed to Munich for interviews with the Chinese representatives at the FIBA congress.

**'Healthy Development' Urged**

HK1004055289 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1351 GMT 7 Apr 89

[Commentary: "Gratification and Expectation—on Major Breakthrough Made in Sports Exchanges Between the Two Sides of the Strait"]

[Text] Beijing, 7 Apr (ZHONGGUO XINWEN SHE)—Through some twists and turns, a major breakthrough was eventually made today in the sports exchanges between the two sides of the strait. The Chinese Olympic Committee and the event (or conference) subcommittee will respect the Chinese name the Taiwan side is accustomed to using and all sports delegations and teams will use the name "Chung Hua Tai Pei [Chinese Taipei]" when attending all official events and conferences. Thus, the Taiwan athletes' dream of participating in sports events will be realized. All people, at home or abroad,

who are concerned about the development of sports exchange between the two sides of the strait will certainly be heartily delighted with this.

#### Athletes on Both Sides Will Greatly Benefit From This

Undoubtedly, athletes on both sides will be the first to benefit from this. They will be able to attend the same sports events hand in hand so as to promote mutual results in sports events and to increase the fraternity and mutual understanding between people on the two sides of the strait.

In the early 1980's, athletes from the two sides for the first time participated in the same sports event in Canada. Their sport exchanges reached a new high in the 1984 Los Angeles Olympic Games. People still remember that in Los Angeles, the athletes from the two sides warmly embraced and greeted each other when meeting their compatriots from the other side. Last year, veteran Taiwan athlete Chi Cheng expressed to ZHONGGUO XINWEN SHE her desire to "free sports from non-sport confinement."

The new decision announced today will open the realm of direct sports exchange between the two sides. Now some sports on both sides have reached the world level. For example, Taiwan's youngsters baseball, women's soccer, women's taekwondo, golf, and bowling, and the mainland's women's volleyball, ping-pong, gymnastics, weichi, and lightweight weightlifting have all achieved the best results in the world. If the athletes from both sides can join hands in promoting each other, they will certainly be able to achieve better results in international sports events. Recently, Taiwan gliding expert Wang Rong-nan practiced in Beijing; Taiwan weichi master Lin Hai-feng attended a competition in Beijing; Yan Te, a famous international baseball umpire from Taiwan, came to Beijing to give guidance to the mainland baseball team. At the same time, famous mainland coaches Li Furong, Xu Shaofa, and Xu Yiming have also expressed their willingness to go to Taiwan to train Taiwan's ping-pong players and divers. This will all contribute to the new development of sports cooperation between the two sides.

#### A Successful Precedent

It is gratifying that the positive results of the discussion between the two sides' Olympic officials will not be limited to the sports circles. Their contacts and discussions established a successful precedent for the two sides' contacts and discussions in other fields. The representatives from both sides met in an atmosphere of frankness, mutual understanding, and friendliness. They at least reached tacit agreement in the following three aspects: First, they agreed to take more action and make fewer open statements so that things will not become more complicated; second, they gave more consideration to the interests of athletes and sports on the two sides; and third, they made joint efforts to seek the common ground

while reserving differences. Thus, their efforts were eventually fruitful and also provided successful experience for future contacts and discussions in other fields. So, not only the sports circles but also the entire people on both sides can benefit from this new achievement.

#### Freeing Sports From Non-Sport Confinement

While people are gladly cheering this new decision, they also cherish some hopes. As all people know, the Olympic officials from the two sides strictly followed the relevant stipulations of the Olympic Committee and adhered to the principle of recognizing only one China in their discussion. However, in the course of negotiations, some Taiwan officials said that "Chinese Taipei" could be interpreted as "Taipei of the Republic of China," thus causing discordant sounds outside the meeting.

Now, some people even incorrectly think that the fact that the mainland's Olympic Committee accepted the Chinese name of "Chung Hua Tai Pei" because it respects the Taiwan side's habit indicated that the mainland authorities are ready to make a concession to the idea of "one China, one Taiwan" or "two Chinas." This has gone too far. This reporter holds that when sports exchange between the two sides is making progress, people on both sides should continue to make unremitting efforts to ensure the healthy development of this trend and really free sports from non-sport confinement. We hope that the "political game" of some people will not continue. Undoubtedly, the mainland's Olympic committee is sincere in welcoming the Taiwan athletes who will come to the mainland to participate in sports events, and its position on this point is evident.

Then, when will Taiwan also open its door to mainland athletes? This will become the focus of people's attention in the future. The imposition of "political conditions" on mainland athletes who want to visit Taiwan is in violation of people's feelings, the national conditions, and the Olympic spirit. Courtesy demands reciprocity. This is naturally the hope of all people!

#### XINHUA on Taiwan ADB Meeting Decision OW0804185689 Beijing XINHUA in English 1544 GMT 7 Apr 89

[Text] Hong Kong, April 7 (XINHUA)—The Taiwan authorities decided on Thursday to send a delegation to the 22d Annual Meeting of the Asian Development Bank in Beijing from May 4 to 6, according to news reports from the island.

The members of the delegation are Kuo Wan-jung (Kuo Shirley W.Y.), Hsueh Yu-chi, Hsieh Sen-chung (Hsieh Samuel C.), and six advisers and three secretaries. Kuo Wan-jung will be the head of the delegation.

A spokesman in Taiwan said the task of the party in Beijing is only to attend the annual meeting of the bank. Therefore, the despatch of the delegation does not go against the "three nos" policy of the Taiwan authorities—"no contact, no comprise, and no negotiations (for reunification)."

**Elastic Diplomacy Retreats From One-China Stand**  
*HK0704130089 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 0938 GMT 3 Apr 89*

[Report by He Gengxin (0149 5087 2450): "Taiwan Officials Advocate 'Two Chinas'"—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 3 Apr (ZHONGGUO XINWEN SHE)—Recent indications have revealed that in the course of practicing "elastic diplomacy," the Taiwan authorities are trying to retreat from their "one China" stand to a position aimed at creating "two Chinas" or "one China, one Taiwan."

Some political analysts have noted that while upgrading its relations with some countries having diplomatic ties with the PRC to semi-official or official level, Taiwan is trying to return to the international community under the name of the "Republic of China."

Although the legitimate seat of the PRC in the United Nations was resumed in 1971 along with the expulsion of Taiwan, Chang Hsiao-yan, vice minister of the Taiwan "Ministry of Foreign Affairs," asserted openly in Hsin-chu County on 15 March: "Taiwan will not give up its efforts to enter the United Nations and will take this as a target and mission. We were one of the founders of the United Nations and will enter the United Nations under the name of the Republic of China." These remarks did not indicate "elastic diplomacy" at all but were an out-and-out advocacy of "two Chinas."

On 28 March Lin Yu-hsiang, member of the Taiwan "Legislative Yuan," said that the CPC wants to turn Taiwan into a local government by applying its policy of "one country, two systems." He added that in opposing this policy, Taiwan must have a more explicit and better proposal. His ideas about a "more explicit and better proposal" are this: "Two reciprocal governments" can join the United Nations and other international organizations together; under these "two reciprocal governments," Taiwan "can establish embassies or representative offices in all countries around the world and both sides will establish their representative offices in Taipei and Beijing."

On this blatant advocacy of "one China, two governments," Taiwan "Executive Yuan" President Yu Kuo-hua said that "it can be used for reference in studying Taiwan's foreign policy and its policy toward the mainland."

The Taiwan CHINA TIMES commented by saying that "for the first time Yu Kuo-hua used an open, practical, and enterprising principle to express his new concept of breaking through a diplomatic predicament." But the UNITED DAILY NEWS said that "some Legislative Yuan members did not expect Yu Kuo-hua to respond in that way."

In addition, some Taiwan newspapers and magazines are frantically advocating "two Chinas." On 31 March a newspaper published a signed article entitled "On 'Two Chinas'" asserting that "one China" is only a "mirage" and demanding that the two sides of the strait accept the fact of "two Chinas."

**Authorities' 'New Plot' Condemned**  
*HK1104024489 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 1343 GMT 10 Apr 89*

[Senior Taiwan Officials Again Advocate 'One China, Two Governments'"—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 10 Apr (ZHONGGUO XINWEN SHE)—Senior Taiwan officials have again raised a clamor for "one China, two governments." Observers believe that this is a new plot hatched by the Taiwan authorities to extricate themselves from their predication of "international isolation" in a vain bid to return to the international community, so as to realize their dream of creating "two Chinas" or "one China, one Taiwan."

The notion of "one China with two equal governments" was proposed by "Legislative Yuan member" Lin Yu-hsiang. He first proposed in the "Legislative Yuan" on 28 March that the "two equal governments" should participate together in the United Nations and other international organizations, "in order to oppose Communist China's 'one country, two systems,' and this should be regarded as the principle for making a breakthrough in the current diplomatic predicament." Later, at a "Legislative Yuan" meeting on 8 April, he raised the question of whether Taiwan could rejoin the United Nations under the name of "Chinese Taipei," since the authorities had decided to send a delegation to the Asian Development Bank conference in Beijing under that name.

According to reports in the Taipei press yesterday, "Executive Yuan" president Yu Kuo-hua stated that the idea of "one China, two governments" was worth considering, and the matter had been handed over to the "Foreign Ministry" for study and amplification, as a reference material in policymaking.

Answering Lin Yu-hsiang's question, Taiwan "Foreign Minister" Lien Chan said that "from the realistic point of view, due to changes in the international situation, the Communist Chinese regime holds the upper hand in bilateral relations, and it is a fact that as many as 100 countries enjoy better relations with Communist China than with us, so the government must consider things in

order of importance and urgency regarding the question of rejoining all international organizations." He listed the Taiwan authorities' rejoining all international organizations as "the ultimate aim," adding that "at present we must regard the priority aim as actively participating in regional and economic international organizations."

Public opinion is not optimistic about the Taiwan authorities returning to the United Nations under the name of an "equal government." In an article contributed to LIEN HO PAO, Chou Hsi, deputy director of the International Relations Center of Taiwan Political University, said: "We all wish to see Taiwan return to the United Nations, but this is not possible, given the actual situation." The CHINA TIMES pointed out in an editorial: "The case of the Asian Development Bank assists our return to certain international organizations (especially economic organizations), but given the 'one China' principle, there are still many difficulties for Taiwan to rejoin international organizations involving national sovereignty."

**Taiwan Premier Cited on Mainland Investments**  
*OW0704234789 Shanghai Voice of Pujiang in Mandarin to Taiwan 1000 GMT 1 Apr 89*

[Text] According to a station report, Taiwan Premier Yu Guohua said that the Taiwan authorities have always prohibited businessmen in Taiwan making investments and setting up factories on the mainland and that laws and regulations are under study to effectively restrain this tendency. He also said: The draft interim provisions on the relations between the people across the strait are now under study by a department in charge of mainland affairs under the Executive Yuan. He revealed that the draft provisions under study would clearly spell out the policy to prohibit such a practice, and that whoever violates the provisions is to be sentenced to a fine and to not more than 3 years' imprisonment.

**Taiwan Buddhist Figure Opposes Independent Tibet**  
*HK1004060689 Beijing ZHONGGUO XINWEN SHE in Chinese 0635 GMT 3 Apr 89*

[Report by Wang Shanhong (3769 3790 4767): "Master Xingyun Said the Buddhist Circles in Taiwan Are Opposed to an Independent Tibet"—ZHONGGUO XINWEN SHE headline]

[Text] Xian, 3 Apr (ZHONGGUO XINWEN SHE)—Master Xingyun from Taiwan, who is presently visiting Xian, the old capital, said in a recent interview with our reporters that Buddhist circles and the general public in Taiwan are opposed to an independent Tibet.

The International Buddhism Promotion Association's Buddhist Doctrine Preaching and Relative Visiting Group headed by Master Xingyun originally planned a visit to Tibet, but has not been able to go due to the enforcement of martial law there. Master Xingyun says: Tibet is a mysterious place, but at present the mainland government is open-minded, and foreigners and Overseas Chinese are allowed to tour Tibet. This has aroused great interest among the members of our group. I think that I should know not only Chinese Buddhism, but also the history of Tibetan Buddhism. Therefore, Tibet is a place I wish to visit. He said, should a chance arise in the future, he must visit Tibet.

When talking about his relations with the Dalai Lama, Master Xingyun said: I have met the Dalai Lama many times, and he is also opposed to an independent Tibet. For various reasons, he has until now not been able to return to Tibet; I understand his painful feeling. If I have the chance to visit Tibet, I can tell him some of the things I see, and he will have some comfort. Master Xingyun told reporters that he has often corresponded with the Dalai Lama.

Master Xingyun says: Chinese Buddhism and Tibetan Buddhism are of the same family. Buddhism preaches peace. If I can go to Tibet later on, I will preach peace, because violence can only cause conflict. There is nothing more precious than peace in this world.

**Guangdong Offers Investors Preferential Treatment**  
*HK0704150389 Beijing CEI Database in English 5 Apr 89*

[Text] Beijing (CEI)—Guangdong Province will offer Taiwan business people who plan to invest in Guangdong preferential treatments same as investors from foreign countries and Hong Kong and Macao.

Ye Xuanping, the provincial governor, disclosed that preparation for building "investment and trade consultancy service center for Taiwan compatriots" is under way in Guangdong to help Taiwan business people to make investment in the province.

At present, there are about 100 factories funded by Taiwan business people in Guangdong with a total investment of more than 100 million U.S. dollars. Most of them have obtained better economic results. Guangdong's entrepot trade with Taiwan topped 200 million dollars last year, more than double the previous year's figure.

## Hong Kong

**Rights Activist Criticizes Immigration Officials**  
*HK1104032789 Hong Kong HONGKONG STANDARD in English 11 Apr 89 p 1*

[By deputy China editor Yau Shing-mu]

[Text] Chinese human rights activist Chen Jun last night launched a strong protest from the United States against Hong Kong immigration officials.

Mr Chen told the HONGKONG STANDARD that he had never made a formal request to enter Hong Kong—the reason immigration authorities gave for detaining him for 10 hours while he was in transit here.

Mr Chen said from New York that Hong Kong immigration officials had tried in vain to talk him out of making a written protest.

Mr Chen was forced out of China four days ago for what is believed to be his active involvement in pressing for the release of mainland political prisoners.

He was most angered by Hong Kong immigration officials' attempts to stop him from telephoning his wife in Beijing.

"My first request made at 3 p.m. (four hours after he arrived from China) was refused.

"My second request two hours later was also turned down. It was only after I made a written protest that I was allowed to make the call," he said.

He contracted his wife in Beijing through a coin phone.

Mr Chen said he was desperate because he did not have any friends in San Francisco where he was ordered to go by immigration officials.

"They told me if I did not get on a plane to San Francisco they would send me back to Shanghai. I did not have enough money, so I wanted to make some arrangements with my wife.

"I don't understand why the Hong Kong Government would behave like this. I thought Hong Kong would be better than China in terms of human rights.

"Does this imply that human rights and freedom in Hong Kong and the rule of law is being eroded even before 1997?", he queried.

Mr Chen said he was aware that Hong Kong reporters were waiting for him in the transit area but was told by immigration officials that "for his own safety" he should not meet the press.

"This was a ridiculous suggestion. Can they shut me up for life", he asked.

Mr Chen denied that he had made an official request to enter Hong Kong. "I just verbally inquired about the possibility of entering. I did not fill out any forms," he said.

However, he claimed that he was later made to sign a document which said that he was officially refused entry.

"I am not objecting to this if that is the law in Hong Kong," he said.

Mr Chen denied that he was a member of the Chinese Alliance for Democracy, a dissident organisation in the United States which is labelled by China as "counterrevolutionary."

## Official Defends Treatment

*HK1104032989 Hong Kong HONGKONG STANDARD in English 11 Apr 89 p 3*

[By Ma Miu-wah]

[Text] The application of Chinese dissident Mr Chen Jun, who asked to enter Hong Kong without an entry visa, was handled according to established procedures, an Immigration Department official said yesterday.

Mr Stephen Chan Hinyau, a spokesman for the department, said that making Mr Chen remain in an immigration reception room for ten hours last Friday was lawful and appropriate.

The explanation came amid mounting pressure on the department from Legislative Councillors and human rights groups to give a full account and rationale for the treatment of Mr Chen.

After arriving in San Francisco last Saturday, Mr Chen described the department's handling of the matter as inhumane and bureaucratic.

He said the department might have bowed to pressure from China.

Legislative Councillor Mr Szeto Wah has filed a question with the Omelco [Office of Members of the Executive and Legislative Councils] office. It is expected to be tabled tomorrow.

Mr Szeto has asked whether other transit passengers would be treated in a similar manner to Mr Chen.

Mr Stephen Chan, of the Immigration Department, said Mr Chen presented himself for an immigration examination soon after he flew into the territory from Shanghai last Friday.

He was refused entry as the department found he had no visa.

"According to established procedures, Mr Chen should remain in the immigration reception room until the next available flight to his chosen destination," he said.

In cases like this, people refused entry would not be allowed to move freely in the transit lounge. Any other passenger would have been treated in the same way, he said.

Asked why Mr Chen was unable to meet the press, Mr Chan said the department had never and was not obliged to make arrangements.

"And Mr Chen himself did not ask for it," said Mr Chan.

The department had allowed Mr Chen to telephone his wife in Beijing.

Mr Chan denied that there was any delay in getting through to Beijing.

**New Vietnamese Refugees Cause Concern**  
*HK1004055589 Hong Kong SOUTH CHINA MORNING POST in English 10 Apr 89 p 3*

[By Fiona MacMahon]

[Text] The continuing influx of Vietnamese boat people to first asylum countries could seriously jeopardise international negotiations to find a solution to the long-running problem.

The warning came as another 390 boat people landed in Hong Kong at the weekend, forcing the Government to make an emergency decision on accommodation today.

So far this year 1,923 Vietnamese have landed in Hong Kong, a 64 percent increase on the same period last year.

Sources said this did not bode well as arrivals traditionally escalated in the summer.

They are concerned about the impact the arrival rates in Hong Kong and particularly Malaysia will have on negotiations to implement a Comprehensive Plan of Action (CPA) at an international conference in Geneva this June.

The concern over Hong Kong is not quite so marked as Malaysia, the sources said, as they are more confident Hong Kong will not take any drastic measures, such as abandoning the CPA.

But since Malaysia introduced screening on March 14, more than 2,000 Vietnamese boat people have flooded in.

"Malaysia promoted the idea of an international conference, indicating they want a multilateral solution to the problem, but they now face major internal political upheavals because of the high number of arrivals," the sources said.

As part of the CPA, Association of Southeast Asian Nations (ASEAN) countries have agreed in theory to introduce screening after the international conference.

"If screening is failing as a deterrent, what's the point of ASEAN countries introducing screening. And if there is no point in screening being introduced, what is the point of the conference?" one source said.

The question of illegal departures will be discussed at a steering committee meeting in Bangkok this week.

But the leader of the Vietnamese delegation in Hong Kong for a meeting on screening last week said the Vietnamese were powerless to stop the outflow.

Mr Le Tho, the acting director of the Consular Department of the Foreign Affairs Ministry, said there were limits to what the Vietnamese could do to curb the outflow of people from Vietnam, particularly in policing the 3,200-kilometre Vietnamese coastline.

Hong Kong's Refugee Coordinator Mike Hanson challenged this, however, and said the Vietnamese could do more to curb corruption among its officials.

He said there was evidence that Vietnamese officials were still helping people to leave.

Mr Hanson declined to elaborate, saying only that the Hong Kong Government had told Hanoi to take constructive action to stop the officials from taking bribes.

The influx this weekend means that the Government will have to make a decision today on where to house future arrivals as the Argyle temporary detention centre is now full, said Mr Hanson yesterday.

He admitted that the arrival rate was a "serious concern."

On Saturday 346 boat people poured into Hong Kong, with another 44 arriving yesterday.

The immediate options available are either re-opening Erskine camp which was only vacated last week, or using ferries, said Mr Hanson.

But the most likely option is that the Government will build the third and fourth phases of the Whitehead detention centre. The first phase, which has a capacity of four thousand, was completed last week and the second phase is expected to be finished at the end of May.

The Government is understood to be hesitant in coming up with a long-term solution for housing the boat people because of concern that an application for funds might be rejected by the Finance Committee.

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